

INFRASTRUCTURE
AND BUILDINGS
CONSTRUCTION
SURVEY

Sentiment

2H
2013

NEW ZEALAND

IN THIS ISSUE

Where is investment expected to increase?

What will drive this investment?

What are the biggest challenges to the rebuild?

What are the industry's views on resilience and sustainability?

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THE REVIEW

Sentiment has notably steadied across most parts of the buildings and infrastructure industry. Many respondents have seen work levels rise over the last year and are optimistic about more investment in the medium term.

In the infrastructure delivery market, 68 percent expect their workloads to expand over the next three years, driven particularly by the Government’s housing affordability and transport commitments. Meanwhile, the buildings market is seeing renewed interest in office, tourism and industrial, as well as an upturn in residential development.

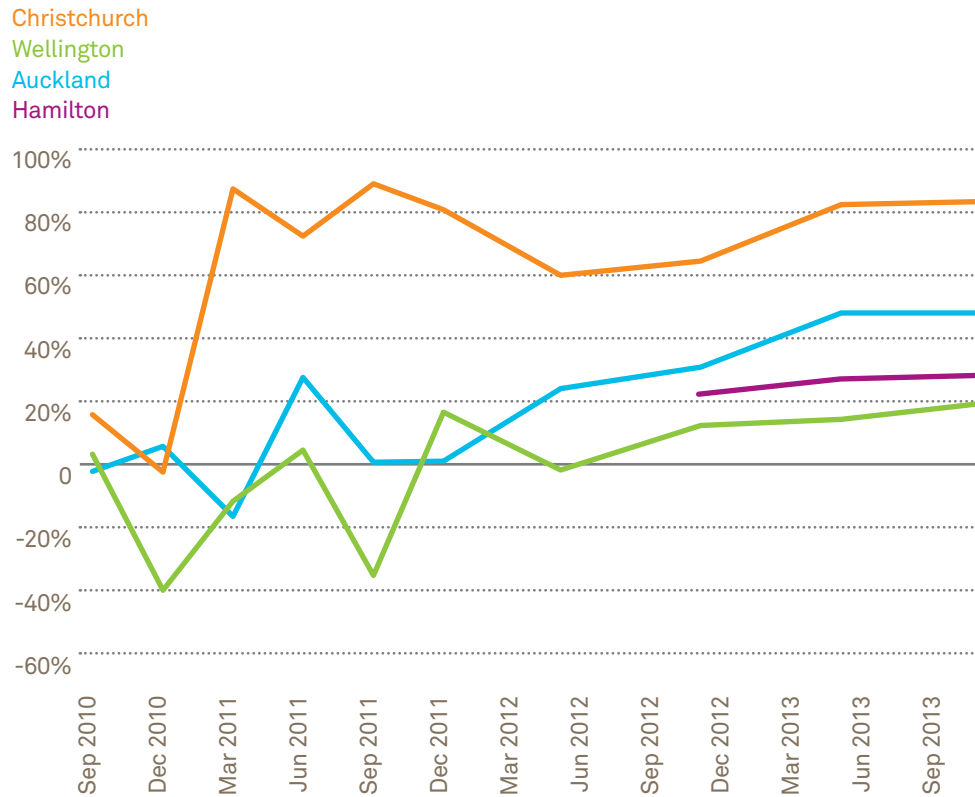
Much of the industry also remains focused on the Canterbury rebuild, dealing with escalating costs and the challenge of appealing to private investors. However, many have been encouraged by recent development commitments and infrastructure works. Respondents highlighted the importance of a united approach that engages the community but also conveys a decisive direction. Striking this balance will build investor confidence and enable the Government and the private sector to work together to achieve the best outcomes for the city.

Above all, and central to this vision for Christchurch, is the rebuilding of communities. One respondent reminded those investing in the city to “look after people first” – ensure homes and communities are rejuvenated otherwise the city will fail.

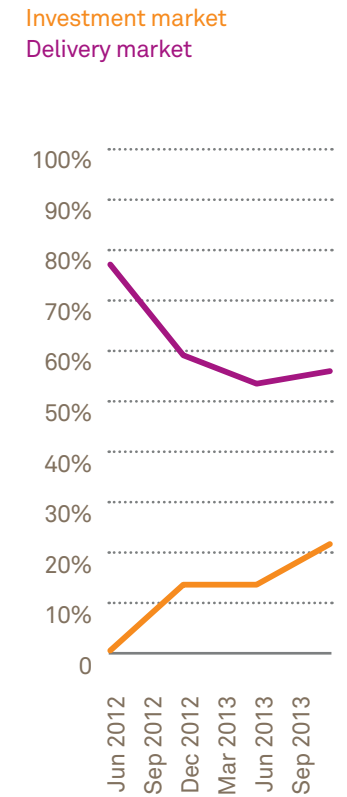
In this survey, we have also examined the industry’s competing views on procurement, the restructuring of local authorities and the level of commitment to sustainability and resilience. In spite of dramatic events in Christchurch and Wellington, there is still a limited understanding of the long-term asset benefits and moreover, the need to expand industry thinking beyond economic value to consider the long-term social and health benefits of sustainable and resilient buildings and infrastructure.

Workload expectations trend

Buildings market



Infrastructure market



Note: Industry sentiment in the buildings market has been surveyed since 2010, while sentiment in the infrastructure market has been tracked since 2012. Here the trend in workload expectations is shown quarterly over this period.

KEY INDICATORS

WORKLOAD AND INVESTMENT EXPECTATIONS

Infrastructure market optimism

68%

68 percent expect more work in the infrastructure delivery market over the next three years

Transport growth

71%

71 percent expect growth in transport projects for the Upper North Island over the next three years

Buildings outlook solid

67%

67 percent expect increased building sector activity over the next 12 months

Office sector turnaround

45%

45 percent expect to see an uplift in the office sector over the next 12 months

INDUSTRY DRIVERS AND BARRIERS

An ambitious rebuild

57%

57 percent of Canterbury respondents support an ambitious approach to the rebuild, 5 percentage points up on our previous survey

Rebuild costs increase

80%

More than 80 percent of respondents expect Canterbury labour costs to increase by over 5 percent in the next three years

Support for amalgamation

68%

68 percent of respondents support a change in the structure of local authorities, 9 percentage points up on our previous survey

A lack of sustainability

19%

Only 19 percent believe sustainability is given a high level of consideration in investment planning

INFRASTRUCTURE MARKET

EXPENDITURE AND WORKLOAD EXPECTATIONS

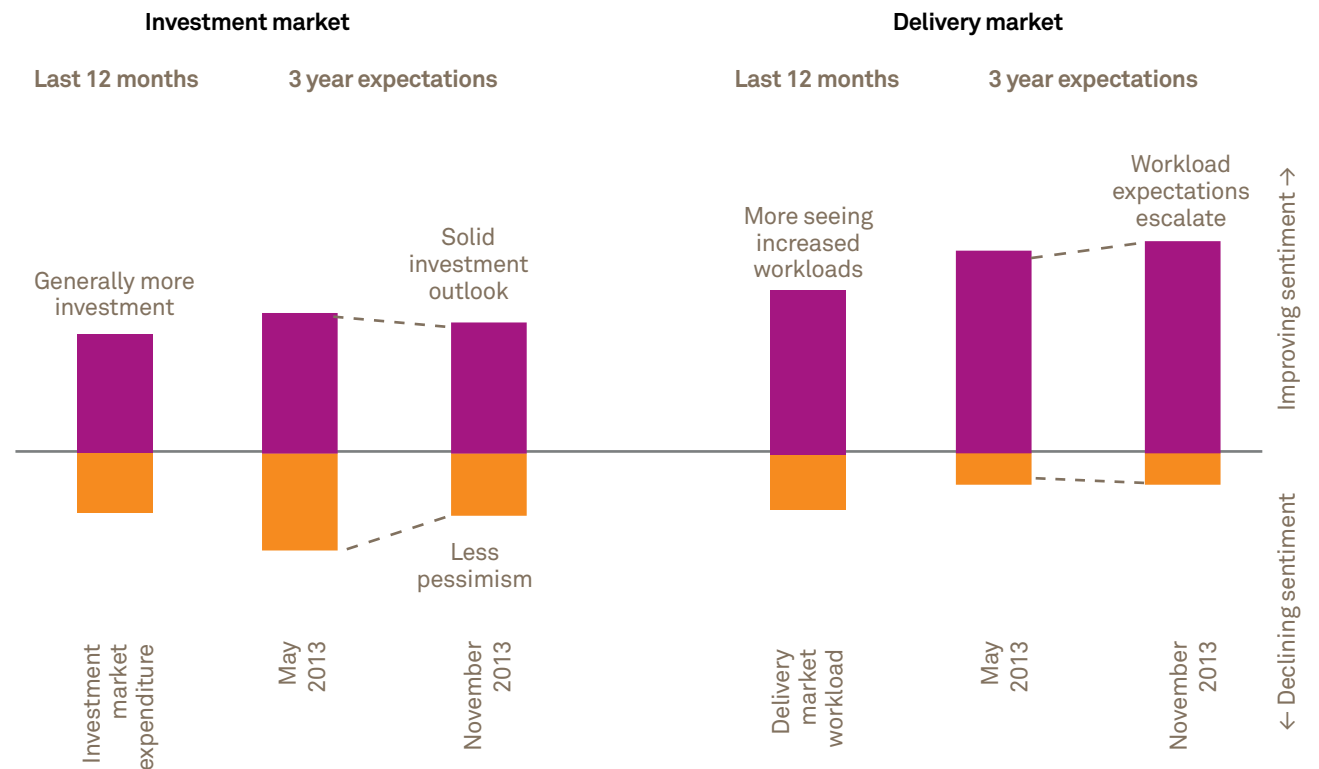
There were only slight shifts in the sentiment of the infrastructure industry since our May 2013 survey.

Consultants and contractors in the delivery market have reported some improvements in infrastructure workloads; 82 percent of respondents saw a steady or increasing amount of work on their books over the last 12 months (this is up on 75 percent six months ago).

The outlook for the infrastructure delivery market remains promising, with a considerable proportion (68 percent) expecting more projects over the next three years, up three percentage points from our last survey.

Generally, there is more optimism in the delivery market, although investment market respondents in this November survey registered a lower level of pessimism (20 percent compared to 31 percent in May 2013).

Infrastructure investment and workload expectations



Respondents seeing more work
Respondents seeing less work

Note: Measures of improving or declining expectations represent the proportion of respondent views on market direction – not the actual anticipated change in workloads.

WORKLOAD BY REGION AND SECTOR

Infrastructure work expectations in Canterbury and the Upper North Island both improved in our November survey and they continue to be the top regions for infrastructure investment over the next three years.

Land development expectations expanded considerably in the Upper North Island (93 percent, up from 76 percent in May 2013) as the implementation of Central Government's housing affordability measures will require a significant amount of new land for residential development in Auckland.

Overall, the infrastructure outlook in the Central North Island has dipped slightly. It eased by 9 percentage points and now only 29 percent of respondents expect to see growth in infrastructure investment in this region over the next three years.

At a national level, there was very little change in overall expectations by sector. Roads and telecommunications both had marginally lower expectations (down 4 percentage points) but a slowing in investment would be expected after the significant outlays these sectors have seen in recent years.


Auckland will be a hub of major transport development in the coming years; 71 percent of respondents expect significant investment growth in transport projects for the Upper North. For example, Central Government funding commitments have fast-tracked the combined Auckland Manukau Eastern Transport Initiative (AMETI) and East-West Link project, as well as brought forward the construction start dates for other key road projects in the area. AMETI includes an integrated approach to improving transport – with work on roads, public transport, walking and cycling infrastructure, with investment of approximately \$1.5 billion. It is part of a plan to unlock the economic potential of the area by improving the flow of commuters and freight traffic.

In addition to the work in Auckland, a number of other road projects are underway in other regions such as the \$2.5 billion Wellington Northern Corridor. In late October, the Government announced that construction of Transmission Gully will begin in the second half of 2014, providing an alternative route to Wellington as part of the Northern Corridor. Subsequently, the success of the Transmission Gully PPP procurement process should bring increased confidence in delivery of other significant infrastructure projects.

The National Infrastructure Unit's recent update on the progress of the country's infrastructure development also reported that \$550 million has been allocated for the rail sector. This includes the KiwiRail turnaround plan and commuter rail upgrades for Auckland and Wellington. Planning for Auckland's City Rail Link continues, however Government funding has been promised for construction beginning in 2020, five years later than in the original timeframes, although this may change depending on rises in CBD employment and rail patronage.

In the water sector, the severity of the drought has brought a renewed imperative to invest in irrigation in order to improve the reliability of supply to the industries so essential to the nation's economy, for example through the Irrigation Acceleration Fund. This is another key shift in infrastructure provision to provide greater certainty for future growth.

Respondents' outlook for the energy sector was similar to our May 2013 survey. In this sector, there are projections for ongoing low demand growth and a number of generation projects are ready to be built but on standby until required.

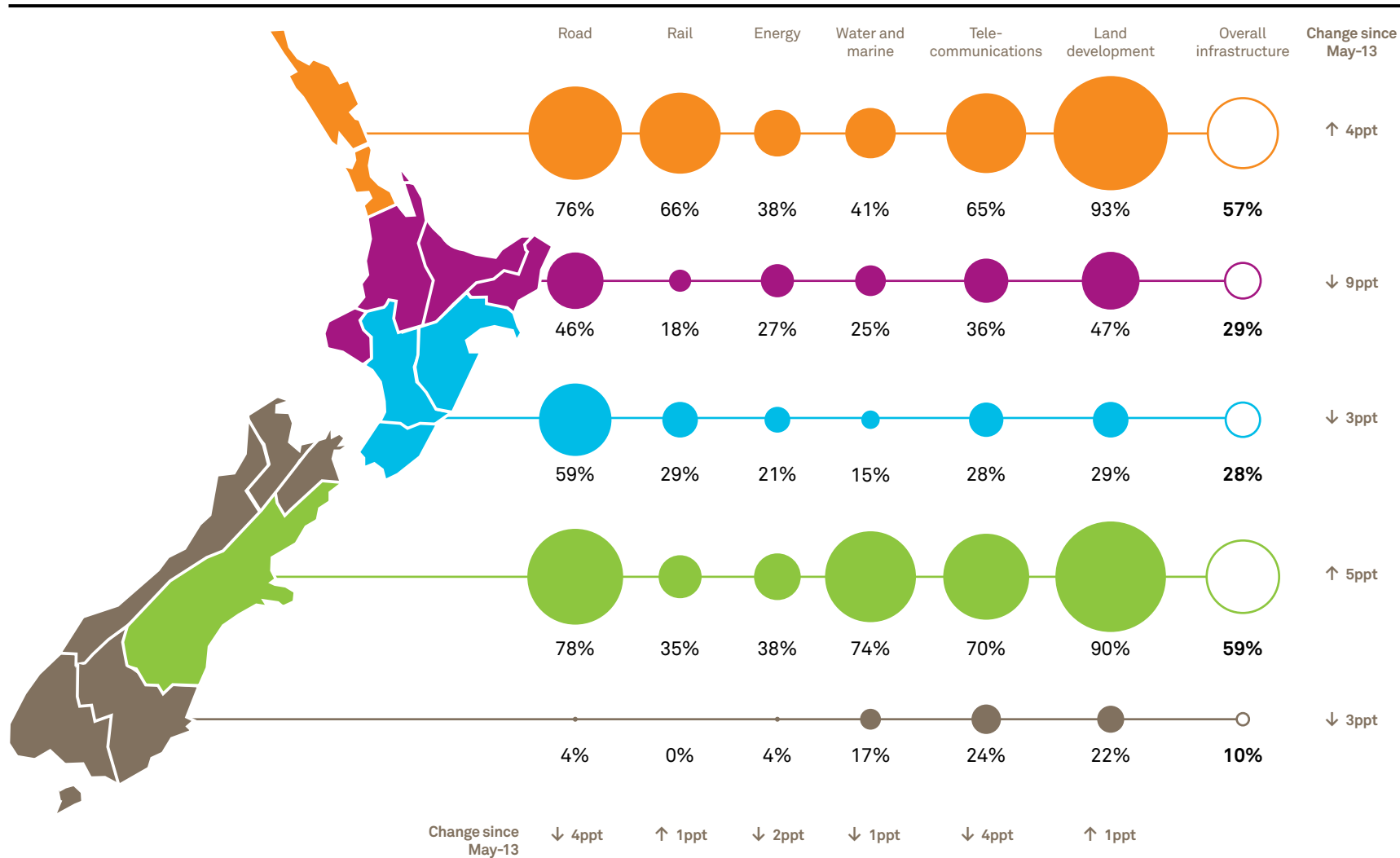
 There is renewed enthusiasm and activity in the Auckland transport market, as a result of recent Government announcements for investment into the region. These transportation acceleration packages will unlock Auckland's potential for significant economic growth. Now the industry must work together to achieve the outcome of a world-class integrated transport network. 

Mike O'Halloran
Director Transportation, AECOM

71%

71% of respondents expect significant investment growth in transport projects for the Upper North Island over the next three years

Proportion of respondents expecting increased investment by region



Note: Bubbles indicate the market optimism for growth over the next three years.

BUILDINGS MARKET

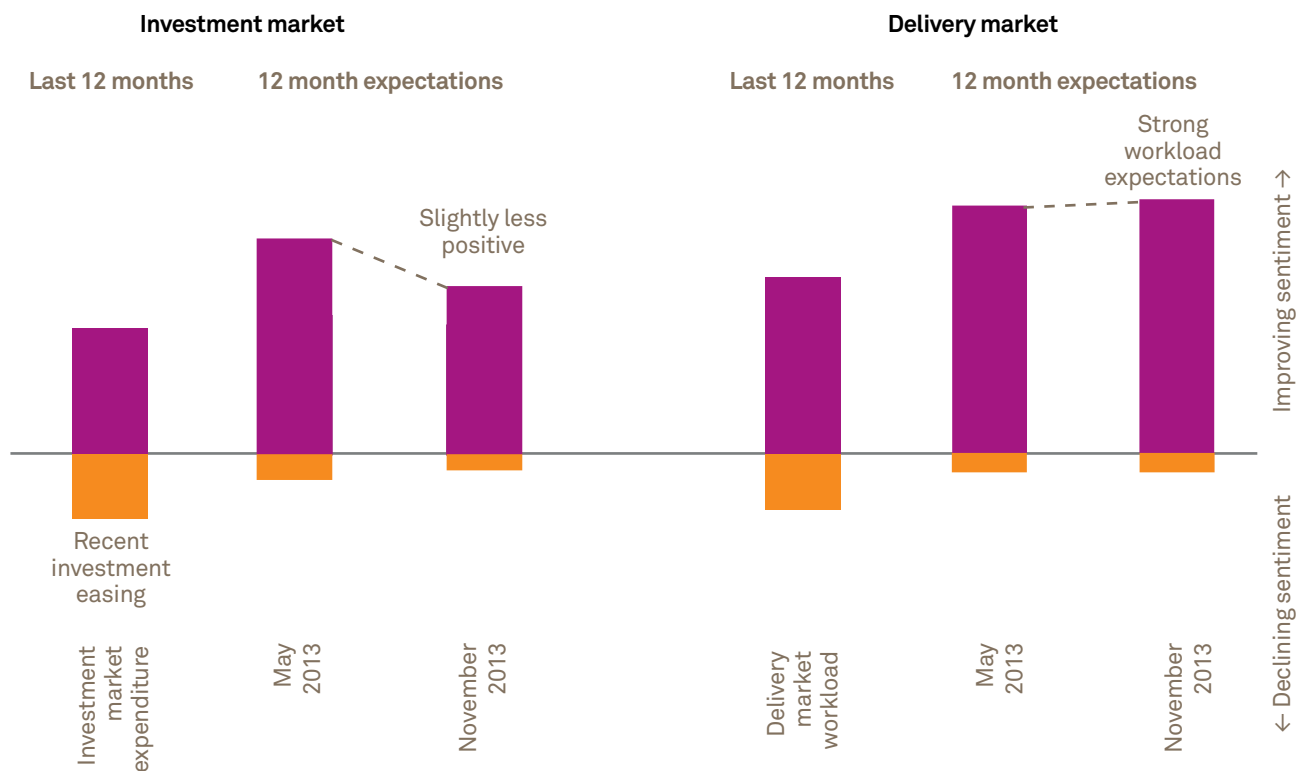
EXPENDITURE AND WORKLOAD EXPECTATIONS

The sentiment in the buildings sector has generally been positive across our two 2013 surveys of the industry. In our November survey, 67 percent of overall building industry respondents expected to see increased building activity over the next 12 months.

The investment market is currently showing a slightly less optimistic outlook than in our May survey, with only 53 percent expecting higher levels of investment, compared to 68 percent previously. However, those who have shifted their view now see investment levels steady, rather than declining.

Contractors and consultants involved in the delivery of buildings projects are expecting an upturn in the near future – 80 percent see rising work volumes over the next year. There are increased numbers seeing renewed interest in certain sectors, such as office, tourism and industrial in addition to the residential upturn.

Buildings investment and workload expectations



Respondents seeing more work
Respondents seeing less work

Note: Measures of improving or declining expectations represent the proportion of respondent views on market direction – not the actual anticipated change in workloads.

WORKLOAD BY REGION AND SECTOR

Across the country, expectations were higher among our industry respondents that there would be an uplift in office building works over the coming year; 45 percent believed supply would improve. This improved sentiment was particularly noticeable in the North Island. Optimism about employment growth and tightening vacancy rates in some sectors, such as prime office stock in Auckland, have been driving this turnaround.

Existing building works are another top pick for investment. Much of this investment is linked to seismic upgrades, even though the Government has now extended the timeframe for these. Originally the 193,000 commercial buildings and high-rise, multi-unit buildings affected across the country were to be assessed within five years and either fixed or demolished within another 10 years. Councils will still have to assess buildings within five years, but owners will now have 15 more years to bring their quake-prone buildings up to 34 percent of the new national building standard.

Tourism and leisure spending also has a strengthened outlook as development in the sector is encouraged by increasing visitor numbers. Statistics New Zealand figures show a 10 percent increase on annual international visitors in the year to August 2013 compared to levels in 2009.



Industrial was highlighted as one of the growth sectors on the rise in the Central North Island according to industry participants, with 47 percent nominating it for growth, up from 42 percent in our May survey. A similar sentiment was seen in the Upper North Island where those seeing industrial expansion rose from 48 percent to 63 percent. This sector will be strengthened by increased agricultural exports, more advanced manufacturing industries and low vacancy rates in the country's key industrial markets.

In contrast, the outlook for spending on government buildings continued to decline – down 8 percentage points to only 27 percent of respondents in our November survey anticipating more investment in this sector. This reflects an expectation that public sector spending will be reigned in until there is more of a turnaround in the New Zealand economy.

Residential remained one of the top picks for growing work volumes, although expectations eased in the Central North, Lower North and South Island excluding Canterbury. In the Upper North Island, the full effects of the Reserve Bank's restriction on high loan-to-value home lending are yet to be seen but some in the industry are concerned about the impact on new residential developers. Respondents in Auckland and Christchurch are witnessing the ongoing impact of housing affordability challenges for prospective buyers.

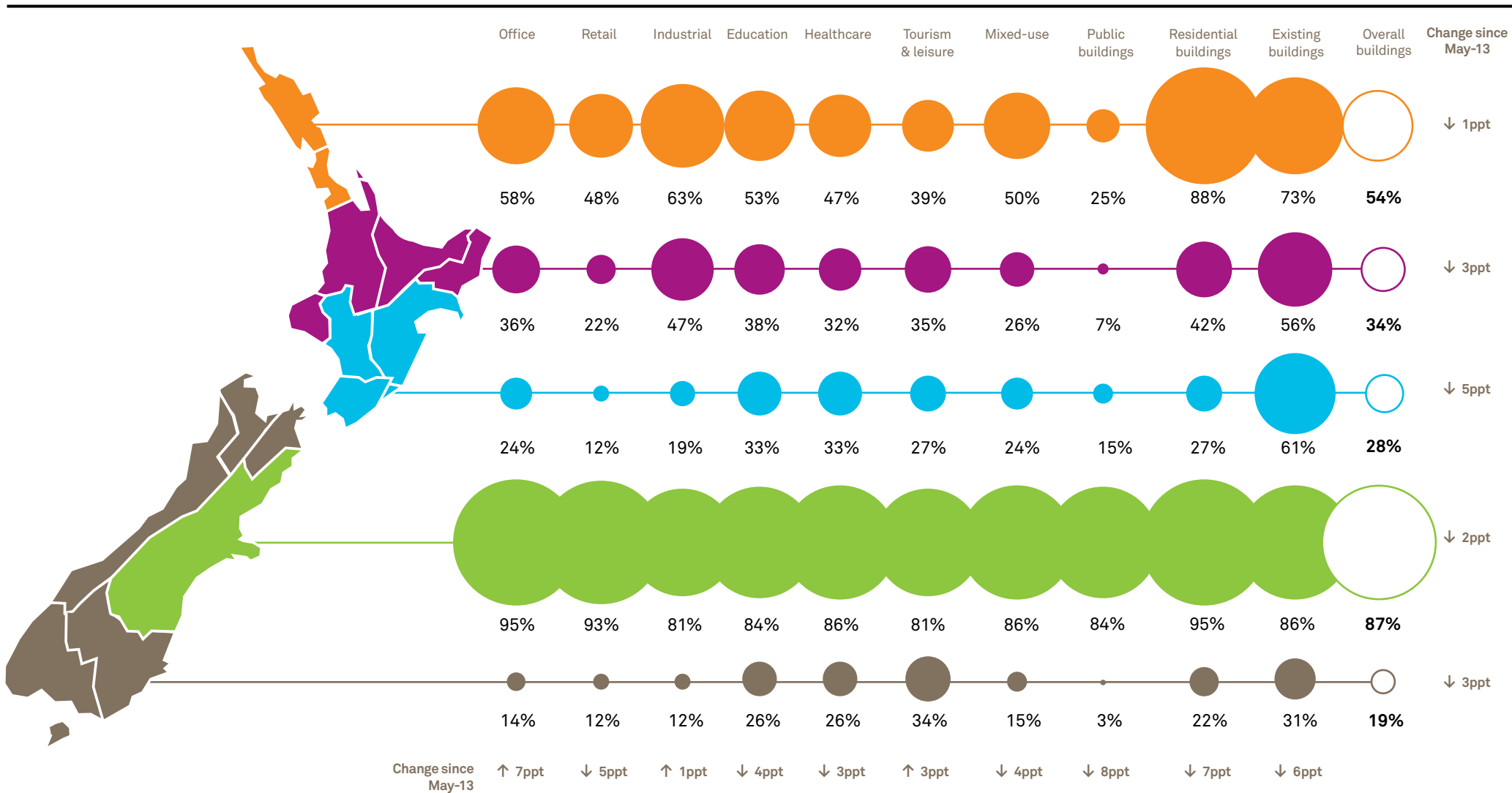
Government efforts to address this housing affordability issue will also bring more investment to the sector. For example, the first batch of 11 Special Housing Areas in Auckland were recently announced that will cater to 6000 new homes as part of the Auckland Accord. In response to Central Government's expectations, Auckland Council has assembled a dedicated Housing Project Office to deliver the significant uplift in building activity and process the large volume of consents expected over the next three years.

Statistics New Zealand's analysis of new residential building consents reinforces this recovery in the housing market – the number of dwelling consents in the year to August was 25 percent higher than the previous year. However, the level of consents is still 4 percent below the 20-year average, which points to the significant ongoing gains required in this market in order to get supply back on track.

 Seismic strengthening of existing buildings presents a significant challenge to property owners. This challenge is exacerbated in the regions, where it is often more difficult to pass the costs associated with the strengthening works onto tenants. The market needs an informed debate regarding the real risks associated with a seismic event versus the cost of upgrade works. 

Craig Davidson
Regional Manager Waikato & Bay of Plenty, AECOM

Proportion of respondents expecting increased investment by region



Note: Bubbles indicate the market optimism for growth over the next year.

INDUSTRY SPOTLIGHT

FOCUS ON CANTERBURY

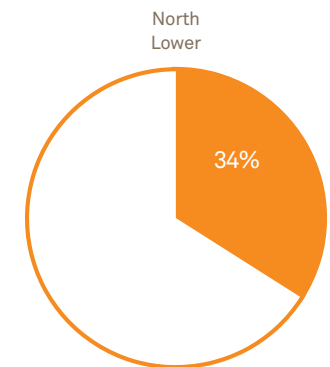
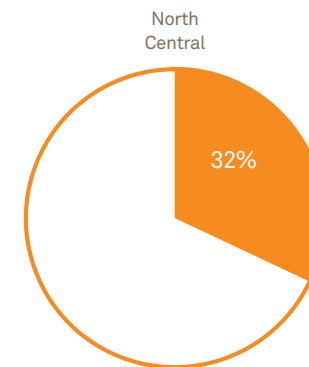
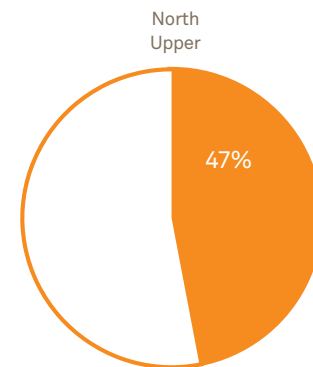
Barometer of ambition for the rebuild

In our second survey with a specific focus on Canterbury, we see the industry is sticking to its aspirations for a bold new Christchurch and the opportunities for reinvention through the rebuild. Industry participants in our November survey held a similar aspiration for a city re-imagined as in our previous May 2013 survey.

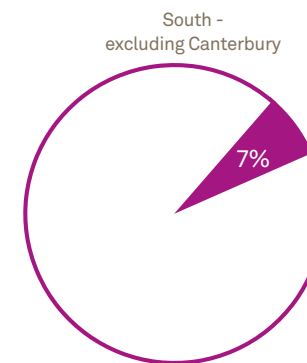
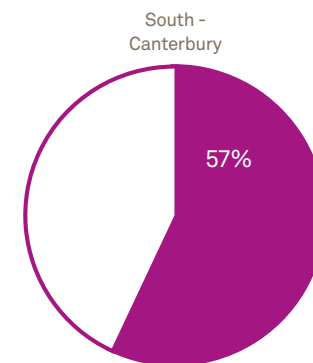
This consistent support can be seen, for example, in the 57 percent of Canterbury respondents in favour of an ambitious approach (compared to 52 percent in May 2013). However, in the remainder of the South Island there was a shift away from this idea, with only 7 percent now supporting a bold approach (down from 29 percent). This is perhaps reflective of concerns in the region about timeframes and local resources. Outside of Canterbury, those respondents from the Upper North Island were most supportive of an ambitious rebuild.

An ambitious Canterbury rebuild – level of support from the industry

North Island



South Island



More than half of Canterbury's respondents from the infrastructure and buildings industries remain committed to an ambitious, uncompromising rebuild.

Peak of the rebuild

Generally, the Canterbury view of when works on the rebuild are likely to peak is earlier than the view outside of the region. Nearly 70 percent of respondents working in Canterbury believed most of the works would occur in 2015-2016, whereas only 60 percent from elsewhere believed this would be the case.

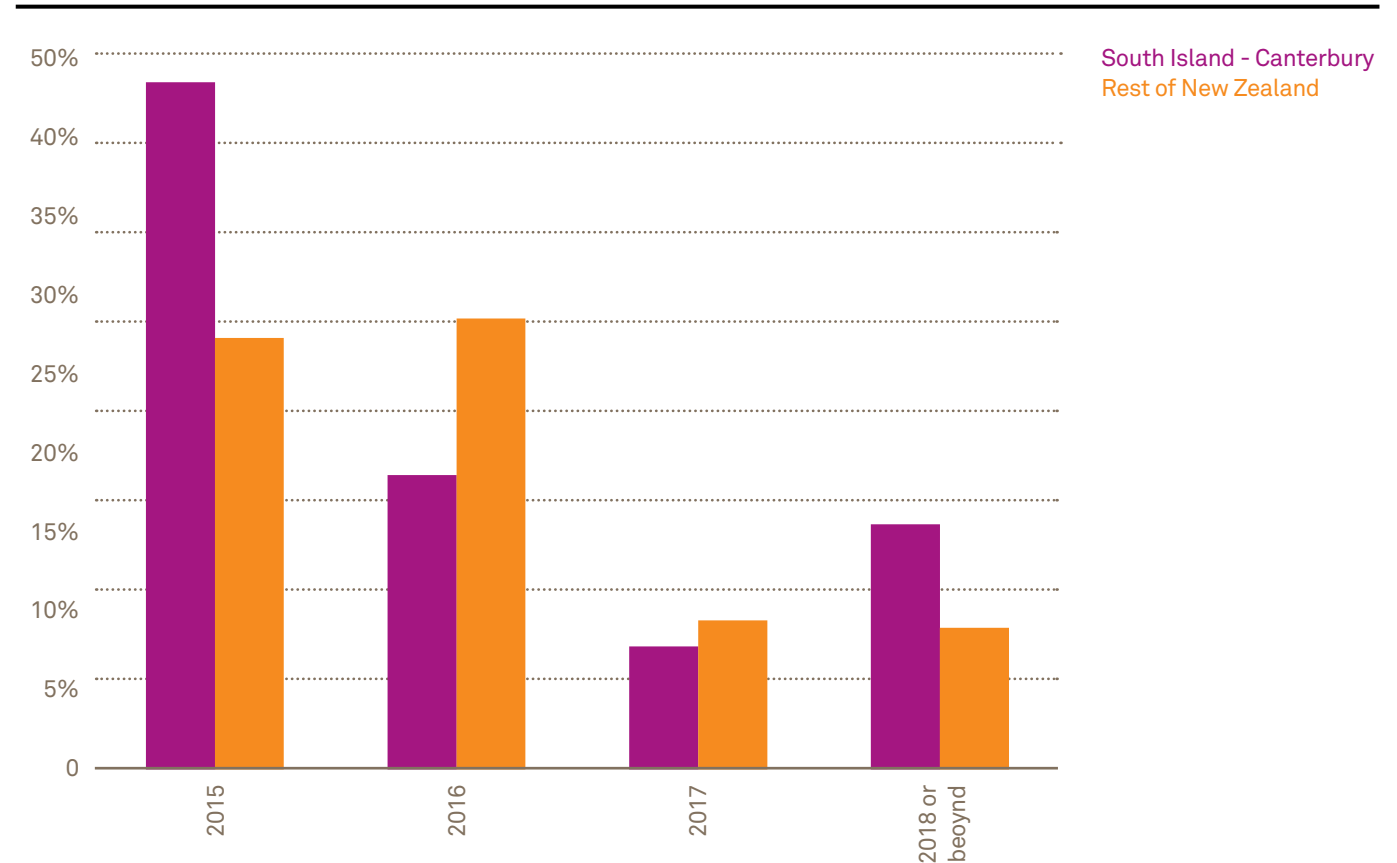
These expectations about an earlier rebuild have shifted since our previous survey in May 2013. More Canterbury respondents now expect an earlier peak in works: in our November survey, 48 percent nominated a 2015 peak compared to 35 percent in May.

Canterbury respondents have been encouraged by recent progress on a number of the anchor projects. Also, in July a cost sharing arrangement was announced between Government and Christchurch City Council. This agreement covered horizontal infrastructure and anchor projects totalling \$4.8 billion, including the Avon River Precinct, The Frame, Metro Sports Facility, the Convention Centre precinct, Stadium and the Bus Interchange.

Recent monthly consented works figures show comparable ongoing levels of project investment, after a brief dip in February 2013. Statistics New Zealand reports that the total consent value for Canterbury building works up to August 2013 was \$1.21 billion, up 30 percent on the total value six months prior.

However, one respondent considered the concept of a peak in rebuild works somewhat of a misnomer and suggested it is likely to be a much more gradual process. Another suggested that a realistic approach based on the industry's capacity and careful scheduling is essential: "a considered, balanced approach would be good stewardship".

When do you expect the peak of the rebuild to occur?

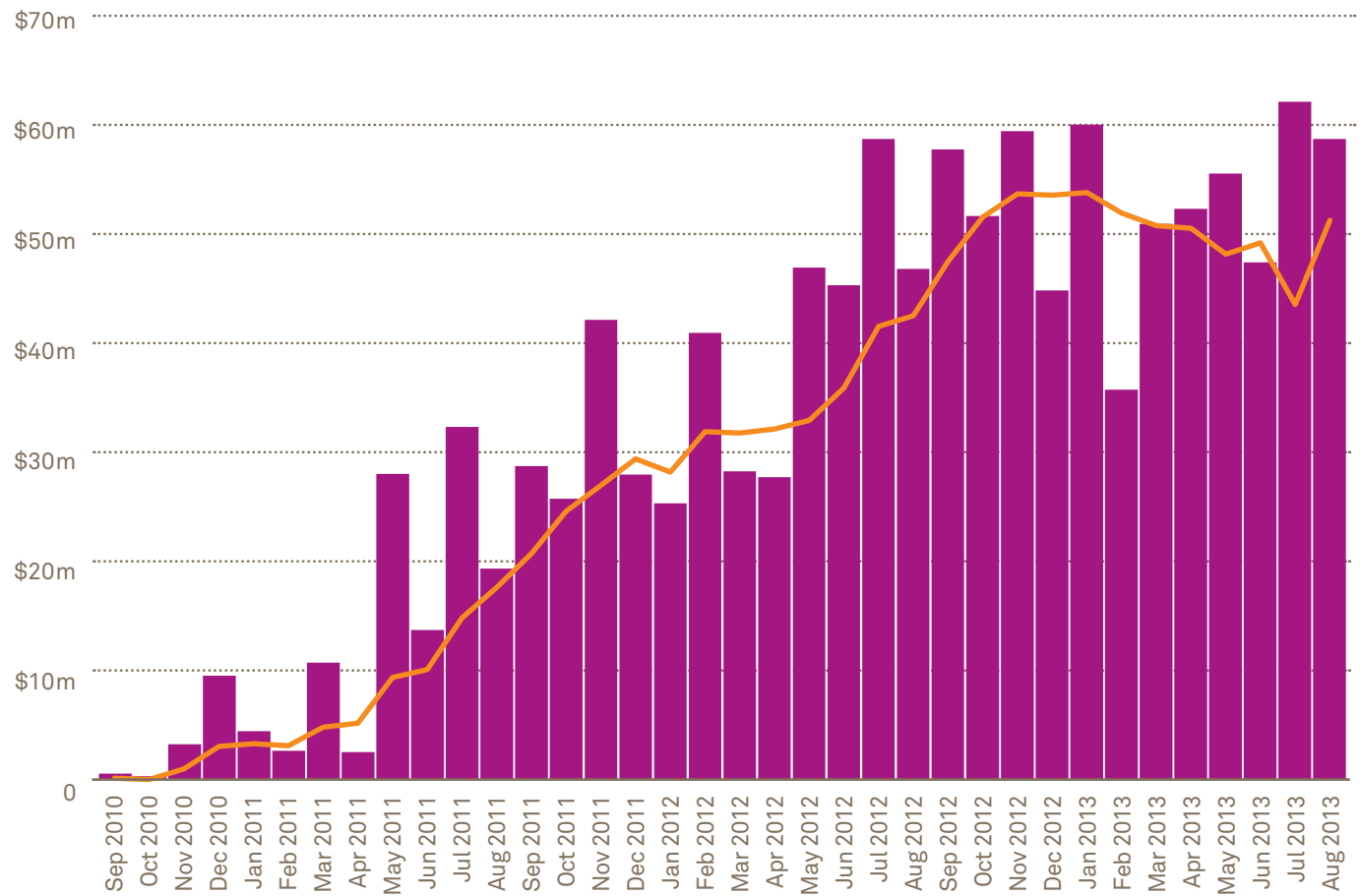


■ ■ In the midst of rebuilding Christchurch, it is important that we do not lose sight of creating a vibrant, liveable, people-centric city – it is not a case of planning, designing and building infrastructure. As continued pressure comes on costs, we must remain committed to sustainability principles and champion resilience, for the next generation and beyond. ■ ■

Shaun Hubbard
 Regional Manager South Island, AECOM

Earthquake-related building consents

— 6 month moving average
■ Monthly earthquake-related building consents



Source: Statistics New Zealand

Rebuild challenges

We asked respondents to rate several factors in terms of their effect on the progress of the rebuild. Regulations, the consenting process and increasing costs emerged as key concerns. The latter was highlighted by 51 percent of respondents as a key hurdle for projects.

Canterbury respondents had a slightly different view of the top rebuild hurdles and were less concerned than the rest of the industry about the consenting process and public funding. From their perspective, the bigger issues to grapple with in progressing the rebuild will be increasing costs and how to create the best conditions to attract private investment.

The issue of skills shortages was surprisingly not as prominent as the other factors, nominated by 36 percent of Canterbury respondents as a notable factor slowing the rebuild. However, this skills issue in terms of resource quality and supply is one of the main drivers of the cost increases – so to a certain extent could be viewed as a component of this top concern for respondents. This is an issue that may become more prominent once more building gets underway.

Some efforts have been made to remedy the skills gap long identified by the industry and highlighted as a top challenge across the nation in our last survey. The Government's Apprenticeship Reboot program has resulted in a 67 percent increase in apprenticeships compared to the same period last year, with a notable proportion heading into building and infrastructure trades. However, in many cases these apprentices will not have a sufficient skill set to suitably staff all elements of the rebuild.

Access to information for planning and scheduling works was another key barrier identified by industry participants – which is also intertwined with this resourcing issue. Other prominent factors affecting the rebuild works include insurance complications and “too many interest groups with competing or unrealistic agendas”.

General changes in the demand landscape for different parts of the city are also affecting the progress of developments. For example, the change in demand and high rent for CBD spaces has meant that those who traditionally tenanted Christchurch's older buildings have now moved to the city's fringes. Instead, the centre is relying on other larger businesses to fill these spaces. As one observer put it, many of those companies are currently constrained by the general economic downturn: “Overall recovery of the economy is required to create that commercial imperative”.



51%

51% of respondents viewed increasing costs as a key hurdle for rebuild projects

80%

More than 80 percent of respondents expect Canterbury labour costs to increase by over 5 percent in the next 3 years

Top factors slowing the pace of the rebuild

Canterbury view
Overall view

Private funding

Increasing costs

Insufficient information for planning

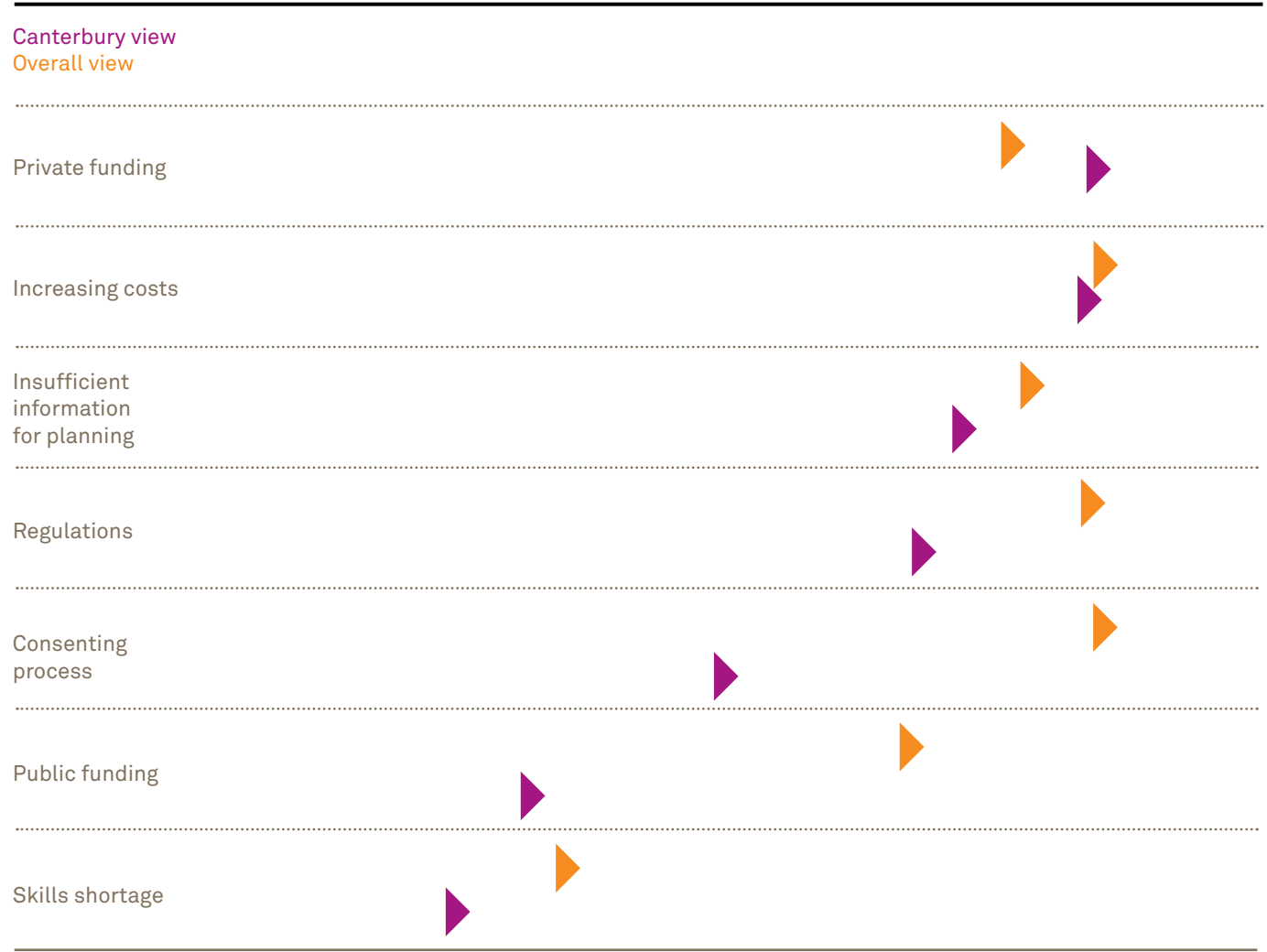
Regulations

Consenting process

Public funding

Skills shortage

More of a rebuild barrier →



Rebuild competition and cost

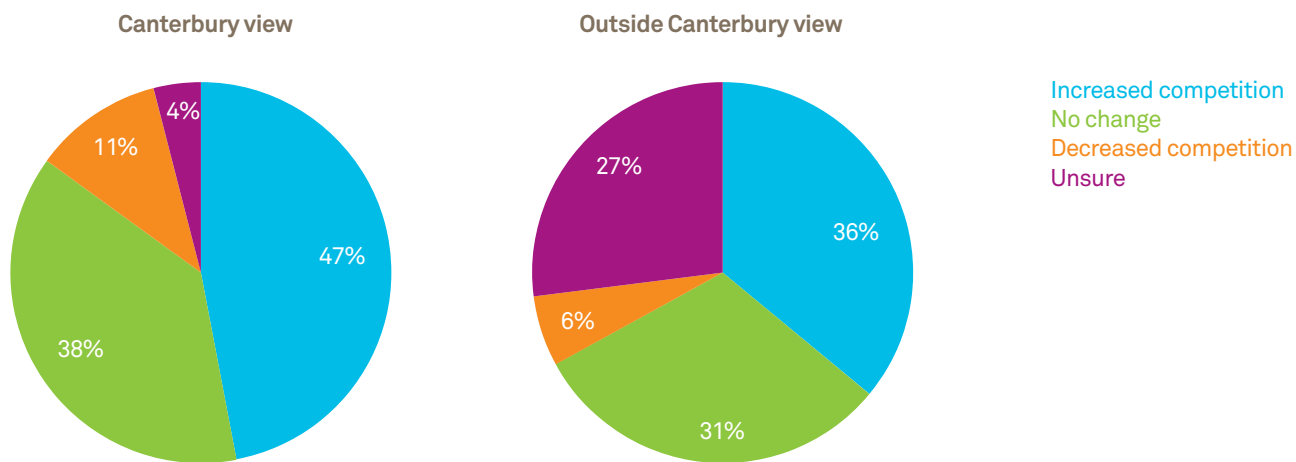
We have seen little change in the view on competition in the market since our survey in May 2013 – 47 percent in Canterbury are seeing increasing competition for the available pool of rebuild work.

The industry reported two different views on how margins have shifted over the last year – some saw margins shrink (17 percent) while the majority, 48 percent, saw margins rise. This pricing behaviour demonstrates that some are clearly competing to win the work that is coming online, whereas others in the market are more secure in their forward workloads so are raising their margins.

As previously mentioned, cost is currently a key issue for the rebuild. In Canterbury, many have already seen costs rising, but over the next three years even more expect to see price hikes. The components of cost increases over the last 12 months, as well as what will push prices up over the next three years are summarised in the rebuild cost factors chart on page 15. Labour is the top cost factor, but margins are expected to increase significantly too.

For example, more than 80 percent of respondents expect Canterbury labour costs to increase by over 5 percent in the next 3 years. This is more than double the proportion of the industry who expect similar rises in other labour markets across the country. There is also a big gap in expectations about plant and material prices rising more than 5 percent: 71 percent expect this for Canterbury, compared to only 32 percent who see this occurring in other regions.

Competition in the rebuild market

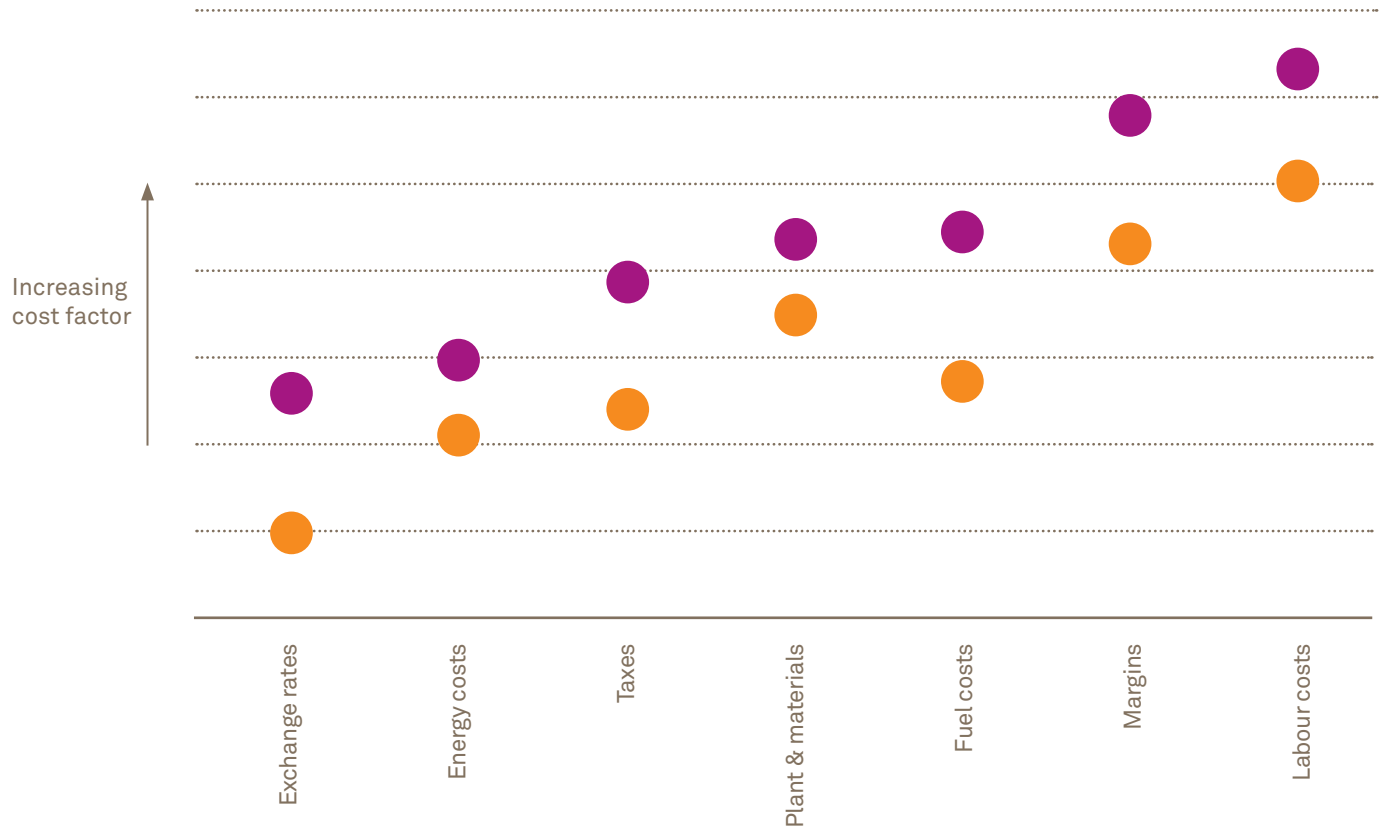


More focus will be seen on procurement methods, sustainability, whole-of-life costings, but the basic economic model of demand and supply will still apply. We are seeing increased optimism throughout the main regions from both sides of the market, which will mean the strain on resources for delivery will lead to increases in labour and materials costs, profit margins and subsequently construction and development costs; unless we can consider smarter forms of procurement.

Trevor Hipkins
 New Zealand Lead – Programme, Cost, Consultancy,
 Davis Langdon, an AECOM company

Canterbury rebuild cost factors

Last 12 months
 Next 3 years



Rebuild process – taking stock

Reflecting on some of the lessons learnt so far and the key steps towards a successful rebuild, respondents noted the progress that has already been made, but several points were front of mind for the industry in tackling the considerable task ahead.

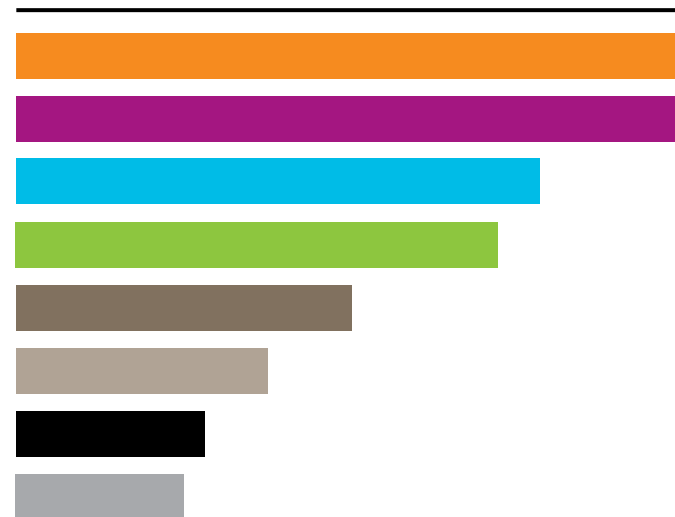
Foremost among these was the desire for a united approach that engages the community behind a single coordinated vision, but also provides a clearly communicated direction – striking this balance is seen as crucial for confidence. One pragmatic respondent described the task thus: “Create sensible precincts, not keep everyone happy”.

Government leadership is a key component of this – to help establish timelines, lead on anchor projects and give private investors more confidence to commit. However, a few respondents were keen to point out that the Government and private sector need to work together in order to achieve the best outcomes for the city. “Establish an affordability envelope for anchor projects and seek private sector bids for delivery... Precinct bids could be bundled to facilitate integrated development.” Red tape minimisation was cited as another way to create greater investment certainty: “Ease up on stringent consent regulation but not on structural regulations”.

The practicalities of an expedited insurance resolution process and comprehensive scheduling were also seen as key factors to success. Careful planning is required to “identify, prioritise and cost the needs”. Another recommended: “involve large contractors in design and planning, they will bring realism to the mix”. This sentiment was echoed in other comments about the importance of having the right expertise (public and private) involved early on in the process.

Looking beyond these conditions required for commercial development, another respondent implored those investing in the new city to “look after people first” – ensure homes and communities are rejuvenated.

Towards a successful rebuild



- Insurance resolution
- A single, coordinated vision
- Manage and communicate timeliness
- Planning and procurement
- Government facilitation
- Attract a diversity of skills and players
- Stimulate private investment
- Funding certainty

Procurement

Another issue of significance for the industry is finding suitable approaches to procurement both in Canterbury and beyond. Respondents were keen to point out that this is dependent upon the type of project and client, but in general the industry considered Negotiated Contracts, Alliancing or Design and Construct the best value for money.

Those working in Canterbury saw slightly more value in New Engineering Contracts (NEC) or Managing Contractor procurement compared to an overall national-level view.

When asked about their preferred procurement method (rather than value for money), Negotiated still emerged as the top choice for respondents. Several respondents steered more towards alliancing for complex projects and a general preference for collaborative approaches was clear. NEC was nominated by relatively few as a preferred method, but this method is not currently as widely used in New Zealand.

Views were divided on Public-Private Partnerships (PPP); 44 percent saw less value in this procurement method, while 33 percent believed it represented better value for money. This is not surprising given that this type of procurement is still in its infancy in New Zealand, and some respondents may not be as familiar with the benefits of this approach.

However, PPPs are gaining popularity, particularly for the provision of social infrastructure such as schools, prisons and health facilities. The Government views this approach as a way of getting more private sector involvement in delivering public infrastructure and seeing benefits such as better service delivery by paying for performance, advances in asset design and whole of life asset management.

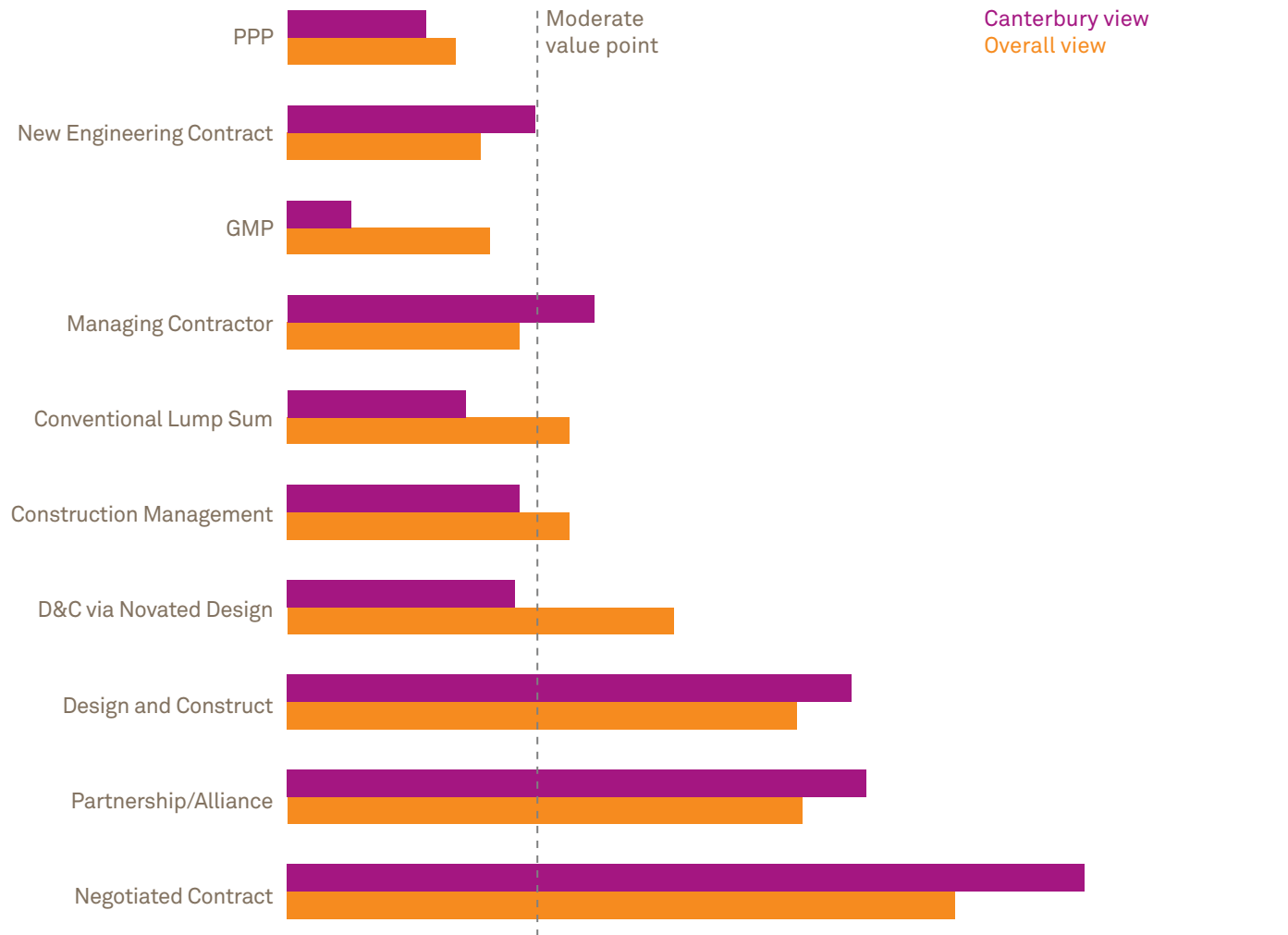
 In New Zealand we are waking up to the value infrastructure can offer as a growth stimulant. Our challenge is for the investment and delivery sides of the market to embrace alternative procurement and funding models necessary to ensure we achieve the aspiration in a timely manner. 

John Bridgman
Managing Director, AECOM New Zealand

63%

63 percent of overall respondents rated Negotiated Contracts as excellent value for money

Procurement methods by value for money rating



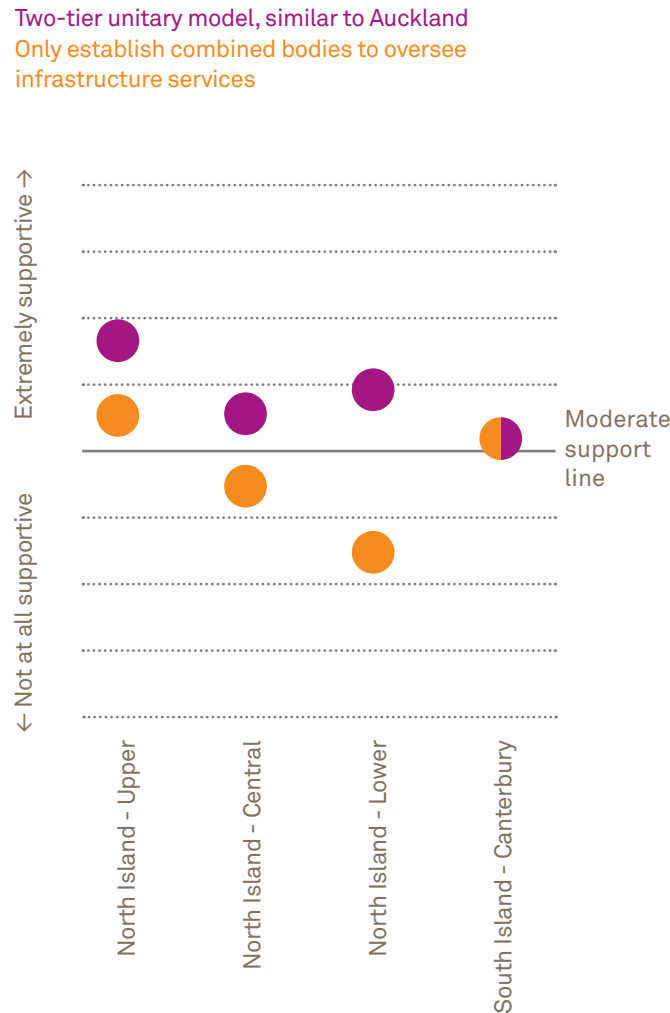
LOCAL AUTHORITY AMALGAMATION

Views on amalgamation

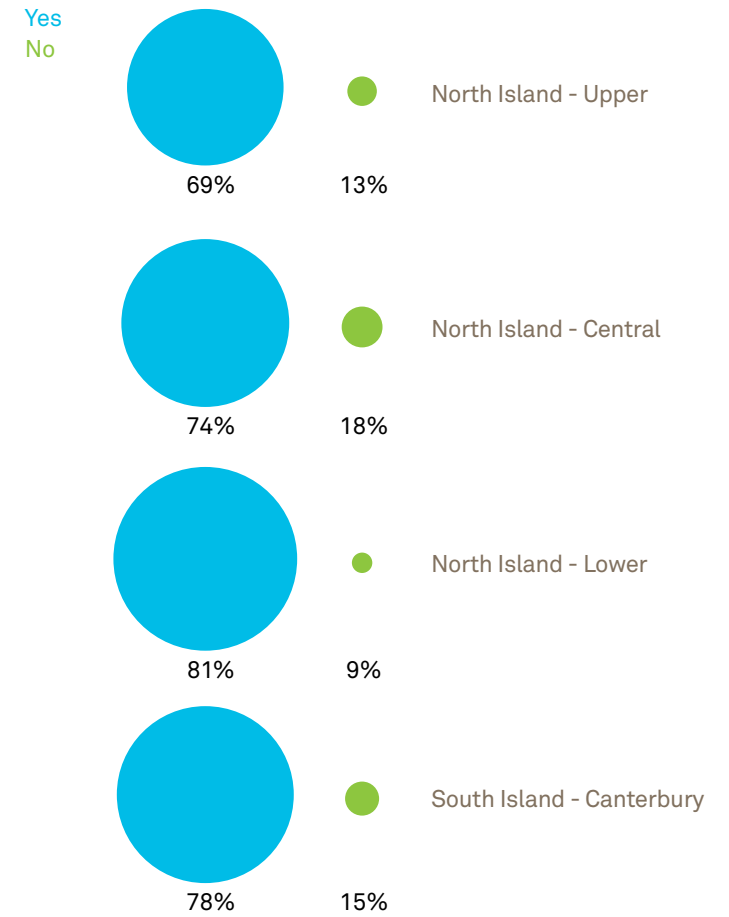
The amalgamation of various local authorities is clearly an ongoing issue. Overall, 68 percent of respondents supported a change in the structure of local authorities across the country. This support grew by 9 percentage points compared to our May 2013 survey. The greatest support for a change in structure can be seen in the Lower North Island (81 percent) and Canterbury (78 percent), whereas the highest level of opposition was evident in the Central North Island (18 percent).

Overall, there is not much extreme support either way for these two amalgamation approaches. In the Upper North Island there is a more than a moderate amount of support for the two-tier unitary approach (from 46 percent of respondents) and a reasonable amount for just combining infrastructure services (39 percent). There is more difference of opinion in the Lower North Island where the two-tier is favoured by 46 percent also but only 27 percent support the latter option.

Level of support by region for local amalgamation options



Support for change of structure at local authorities



Note: Respondents unsure about a change in structure are not included in the above chart.

Challenges for local authorities

Currently, 67 sub-regional city and district councils and 11 regional councils deliver infrastructure and support communities across the country. Based on respondent ratings of current authority performance, authorities are doing a great job on community services and regional advocacy, while respondents were least satisfied with financial management and approval processes.

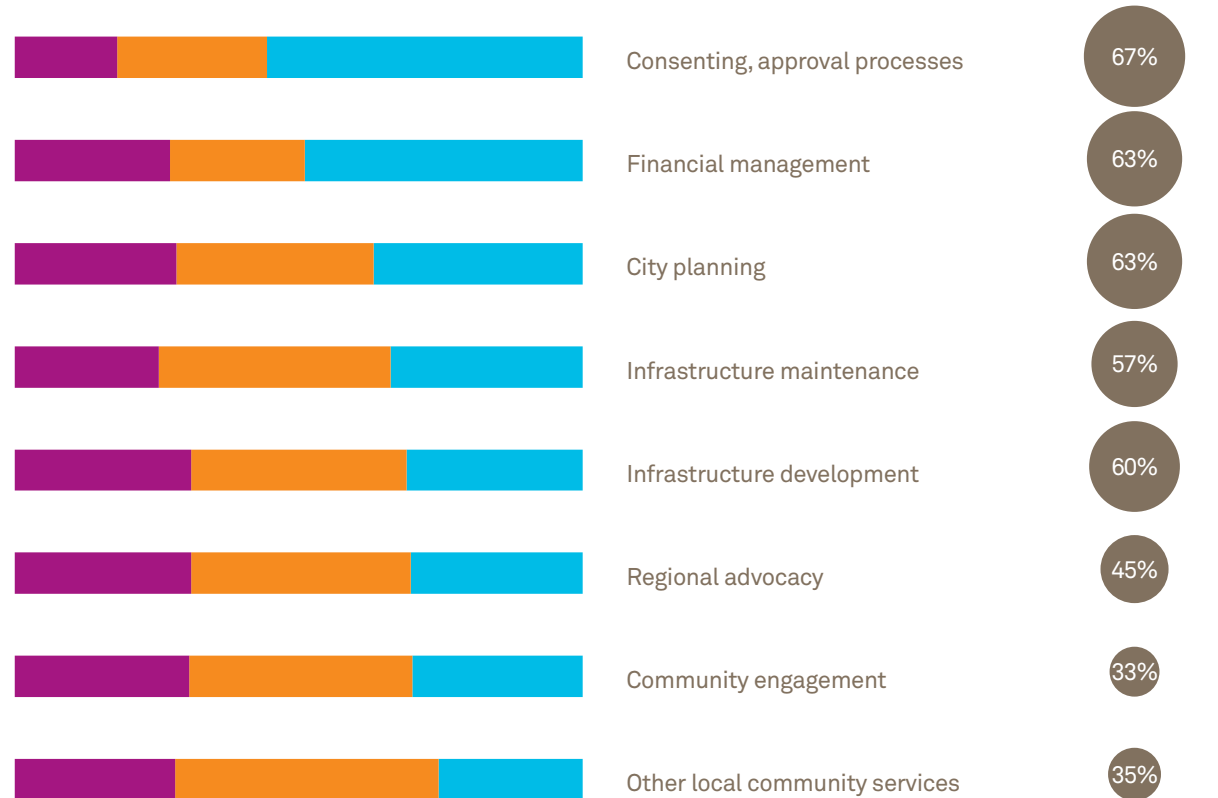
We asked industry participants about where they saw the greatest potential for gains in the restructuring of local authorities. Respondents stressed that a country of New Zealand’s size could not continue with so many separate authorities, calling for an end to duplication and “a more equitable approach” with better use of the nation’s resources. One participant suggested the industry could also benefit from “aligning all Crown entity boundaries to match each other”.

Several councils are looking to collaborate further but are not necessarily in favour of replicating the super-city model. For example, some Waikato councillors are in favour of sharing resources, while other commentators propose a single unitary authority for the region. Hutt City Council also sees merit in combining networks for road and water, following the findings of a recent independent report. Elsewhere, competing views prevail in the Napier Hastings region after the recent local elections.

There were also divided views among industry respondents. Several had concerns that it would mean an increase in overall costs to consumers with little gain or that “scaled up procurement may remove contracts from local suppliers adversely affecting local communities”.

Current satisfaction with local authority performance

Good - excellent
Satisfactory
Poor - fair



RESILIENCE AND SUSTAINABILITY

Across the nation, the industry's views on current approaches to resilience and sustainability show that there is a big opportunity to move on in our thinking in these essential areas. While recent events have focused the industry more on planning for resilience in respect to the threat of natural disasters (41 percent believe that this is given a high level of consideration in investment planning), 21 percent of respondents still felt that the industry could improve in this area.



To a certain extent, seismic concerns have recently overshadowed other sustainability efforts – only 19 percent believe sustainability is given a high level of consideration in investment planning. However, respondents did see progress in areas such as recycling materials, wastewater treatment and more of a focus on active transport in district plans.

Many reported that cost was the biggest hurdle to resilience and sustainability; cost will always win out, particularly when sustainability requirements are not included in client briefs. This points to a failure to shift perceptions. Rather than viewing these components of investment as an additional cost 'add-on', they need to be understood in terms of asset efficiencies, long-run overall cost savings and other benefits.

Respondent views also point to another big hole in the industry's thinking; 54 percent view changing climate impacts as a low level consideration in investment planning. By neglecting this area, decision makers may be missing a valuable opportunity to take a more integrated and comprehensive approach to risk mitigation.

Looking ahead, there is hope that further momentum will build as the industry realises the risks of not taking a whole-of-life approach to its assets. More than 60 percent of respondents expect sustainability commitment levels to strengthen – driven for example by Auckland Council's recent procurement policy, which now includes sustainable building design requirements. Resilience planning is also a central principle in the work of the National Infrastructure Unit and it is a topic that is moving up the national agenda.

A more broadly informed investment decision process will also improve thinking around resilience. This would help incorporate resilience into earlier stages of the investment process, rather than relegate it to an after-thought. It would also expand the industry's thinking beyond economic value to consider broader contributions to the community, such as the social and health benefits of sustainable and resilient buildings and infrastructure.

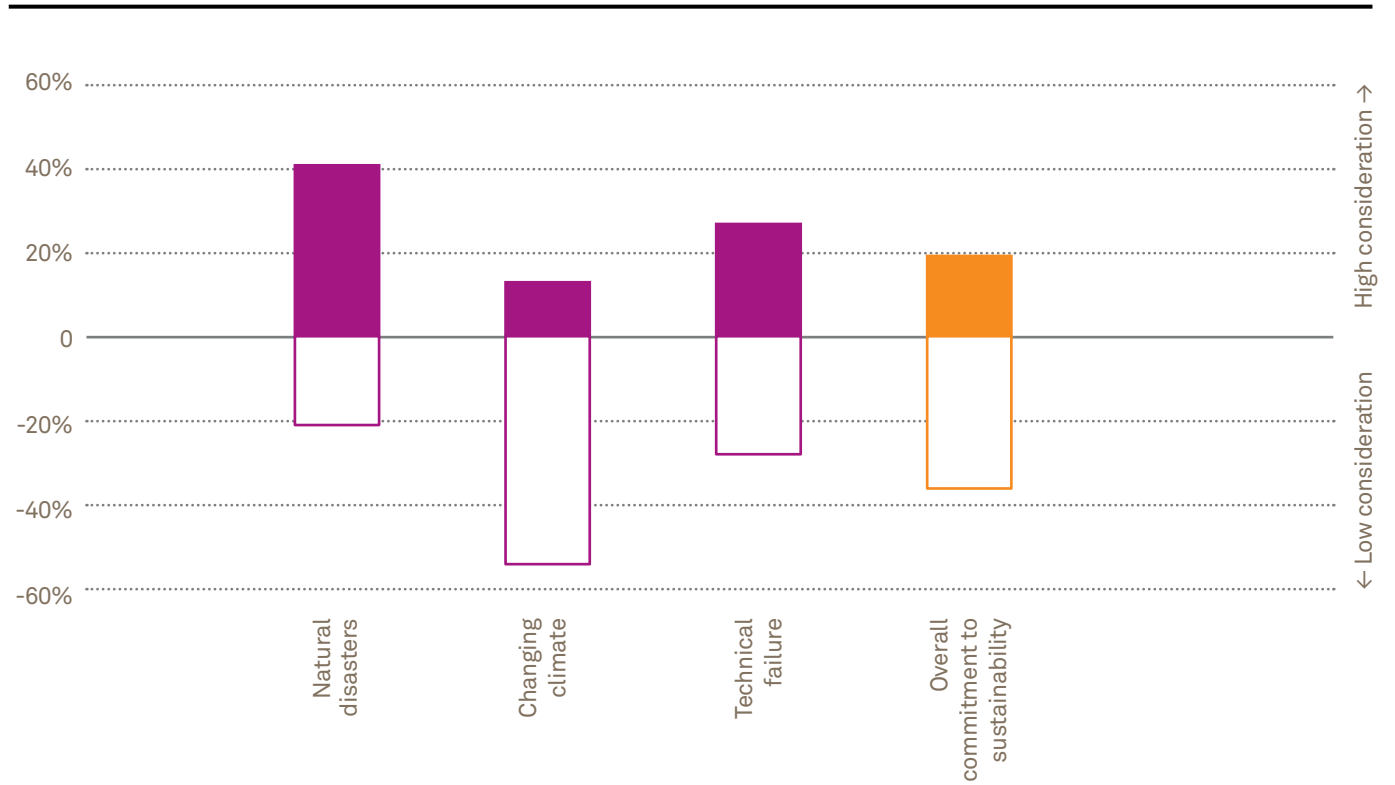
 Wellington's recent earthquakes have highlighted the need for the city to improve its resilience of critical infrastructure to safeguard the economy. In the case of a catastrophic event, what would be the future of Wellington unless it is truly resilient? We may have invested heavily in economic development, and nurtured our smart creative industries, but would they stay if there was no water supply for 70 days? Would Wellington remain the capital city? The Government has a part to play but so too does the private sector as resilience has become a critical ingredient for economic stability, attracting investment and maintaining healthy communities and lifeline services. 

Ian Martin
Regional Manager Wellington, AECOM

19%

Only 19 percent of respondents believe sustainability is given a high level of consideration in investment planning

Resilience and sustainability in investment planning



Note: Figures represent the proportion of respondent views on high/low levels of consideration.

SURVEY SAMPLE – A BROAD VIEW

Survey participants are selected based on their role in the industry. Leading thinkers and decision makers are selected from the buildings and infrastructure markets.

Profile of respondents

Respondents by location (%)



- North Island – Upper
- North Island – Central
- North Island – Lower
- South Island – Canterbury
- South Island – excluding Canterbury

Respondents by industry role (%)



- Local government agency
- Consultant
- Contractor
- Architect
- Private sector owner/developer
- Government-related entity
- Asset manager
- Central government agency
- Finance/insurance
- Legal
- Other

Public vs private respondents (%)



- Public
- Private

Market values

Investment market respondents by turnover (%)



- \$0-200m
- \$200-500m
- \$500m-1b
- \$1b+

Delivery market respondents by revenue (%)



- \$0-200m
- \$200-500m
- \$500m-1b
- \$1b+

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