

# Terms of Reference – CCNZ Sustainability Governance Group

*Last review date: August 2023*

## 1. Purpose

The intent of this document is to provide a means for industry to provide a coordinated approach to how sustainability is implemented across the sector.

Our risk is that there is a proliferation of possible means and ways of implementing “sustainability”. This could end up putting a significant amount of cost into the system by client, contractors and sub-contractors having to develop means and systems to demonstrate compliance.

CCNZ and its members having a key position in delivering on the government’s agenda requires a coordinated approach. Developing implementation requirements that allow the construction industry to communicate to clients is fundamental to ensure that what is specified will be able to be delivered. This extends to the contractor’s supply chains which includes subcontractors.

## 2. Background

Two international agreements are beginning to impact the construction industry from both a procurement aspect and an outcome aspect. These agreements are:

- Agenda 2030
- Paris Agreement on Climate Change

In 2015 the New Zealand government signed up to Agenda 2030 along with 192 other member states of the UN. Agenda 2030 is a 15-year plan to implement sustainable development across the globe through the implementation of the 17 UN Sustainable Development Goals (SDGs). These goals broadly focus on ending poverty, protecting the planet, and improving the quality of life for all.

The New Zealand government is now in the process of implementing the SDGs throughout government procurement. The Government Procurement Rules have been developed to help guide central and local government contractors and call for the implementation of Broader Outcomes. The Broader Outcomes target 4 outcomes:

1. Increasing access for New Zealand businesses
2. Improving construction skills and training
3. Improving conditions for New Zealand workers
4. Reducing emissions and waste

Contractors are being asked to demonstrate programmes, measurements, and improvements in these 4 areas. This has implication for the construction sector, particularly with regards to the targeted procurement of staff, salary structures, commitments to staff retention and training and a wider focus on waste and emissions.

In addition to Agenda 2030, the New Zealand Government was a signatory to the Paris Agreement on Climate Change (2015) along with 195 member states of the UN. This

agreement supersedes the Kyoto Protocol, is a legally binding treaty and specific to climate change and associated emissions.

Countries are required to submit their Nationally Determined Contributions (NDC's) of which New Zealand's is a 50% reduction in gross carbon emissions by 2030 based on 2005 levels and net zero carbon emissions by 2050. These targets are in-line with the overarching Paris targets which are designed to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels" by 2100.

All contractors to central and local government are/will be asked to support New Zealand's NDC submission through monitoring, reporting and carbon reduction initiatives. This has implications for the entire value chain of the New Zealand construction sector.

### 3. Structure

Sustainability has many moving parts. There are a number of broader outcomes that can be required. Due to this diversity and the variation skill sets, three groups should be established to cover the breadth of issues related. These are as follows:

**Governance group** – Oversees the overall sustainability programme and provides the primary conduit to clients. It is expected that the representation of this group will be CCNZ members and client groups.

- Provide a platform for client group to consult with CCNZ members on sustainability objectives.
- Provide the government with a single point of contact for the civil construction sector
- Assist with the coordination of sustainability initiatives across the sector.
- Provide advice to clients and the civil construction industry, in particular small to medium companies.
- Scope and resource projects that enable the implementation of sustainability into the sector.
- Provide a conduit to industry of recognised good practice in the implementation of sustainability.
- Monitor sub-committee working group work plans for content and resourcing
- Monitor the implementation of sustainability in the sector.

**Environmental sub-committee** – review and oversee issues related to environmental aspects of sustainability. This includes, but is not limited to -

- Develop and oversee the development and implementation of consistent means to calculate carbon.
- Investigate carbon reduction opportunities.
- Resource efficiencies and sustainable procurement opportunities These include:
  - Water reduction initiatives
  - Provide guidance on waste reduction initiatives and opportunities to improve waste reduction.
  - Opportunities reuse of resources

**Social outcomes sub-committee** – review and oversee issues related to social outcomes.

This includes, but is not limited to -

- Assist with the diversity of age, gender, ethnicity
- Fair wage
- Diversity of cultural outcomes
- Worker exploitation through the supply chain
- Understanding of CCNZ membership diversity

#### **4. Deliverables**

- Work with stakeholders to ensure collaboration and alignment of sustainability outcomes.
- Work activity on delivery of items included. Develop publication and guidance for improved industry practice.
- Disseminate industry feedback as requested by client organisations.
- Develop publication and good practice guidance to improve industry practice.
- Disseminate industry feedback through the supply chain including subcontractors.
- Review resourcing required to deliver on work plans

#### **5. Membership of the Committee**

Membership of the committees will be made up from representatives of Civil Contractors New Zealand member and key stakeholders. In order to ensure wide representation and a broad level of experience and expertise, members of the Committee are approved by the Executive Council. Sub-committee structure and membership will be reviewed from time to time as necessary to maintain its efficiency and effectiveness.

#### **6. Meeting frequency**

Committees will meet as agreed by its members to discuss sustainability matters.

#### **7. Members' responsibilities**

- Attend all meetings
- Prepare for all meetings
- Participate in all meetings
- Identify issues that arise in the industry and bring forward for discussion at meetings or through Civil Contractors New Zealand
- Behave in a positive, constructive, collaborative and progressive manner to assist in providing agreed industry solutions
- Be aware of developments in health, safety and environmental systems
- Bring information / feedback to the Committee from associated industry groups and other Civil Contractors New Zealand members