Building prosperity

ConCOVE Tūhura: Insights to Actions

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Key points

Economy: A tough cycle

Fat tails: More political uncertainty

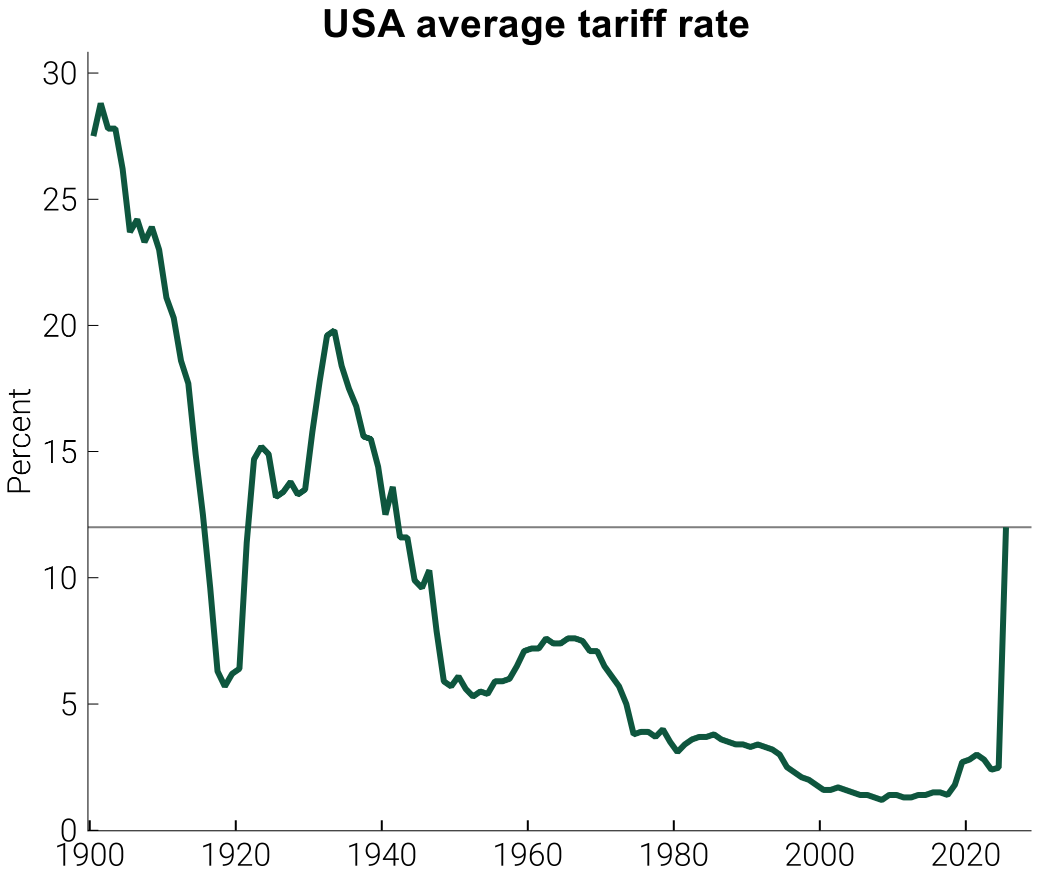
High need. Cyclical low. Productivity & Labour.

Prioritising industry input & long termism.

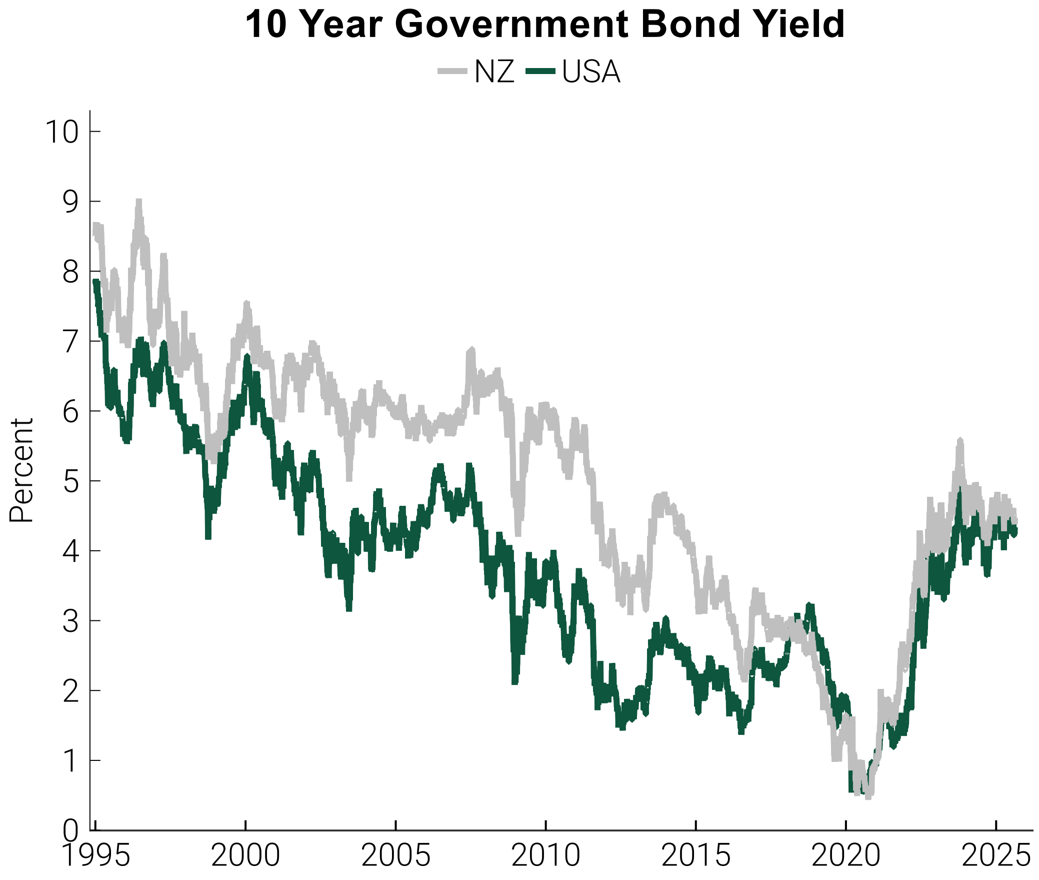
Political context

Flip-flop

Uncertainty



Source: MacroBond, Simplicity Research Hub



Source: MacroBond, Simplicity Research Hub

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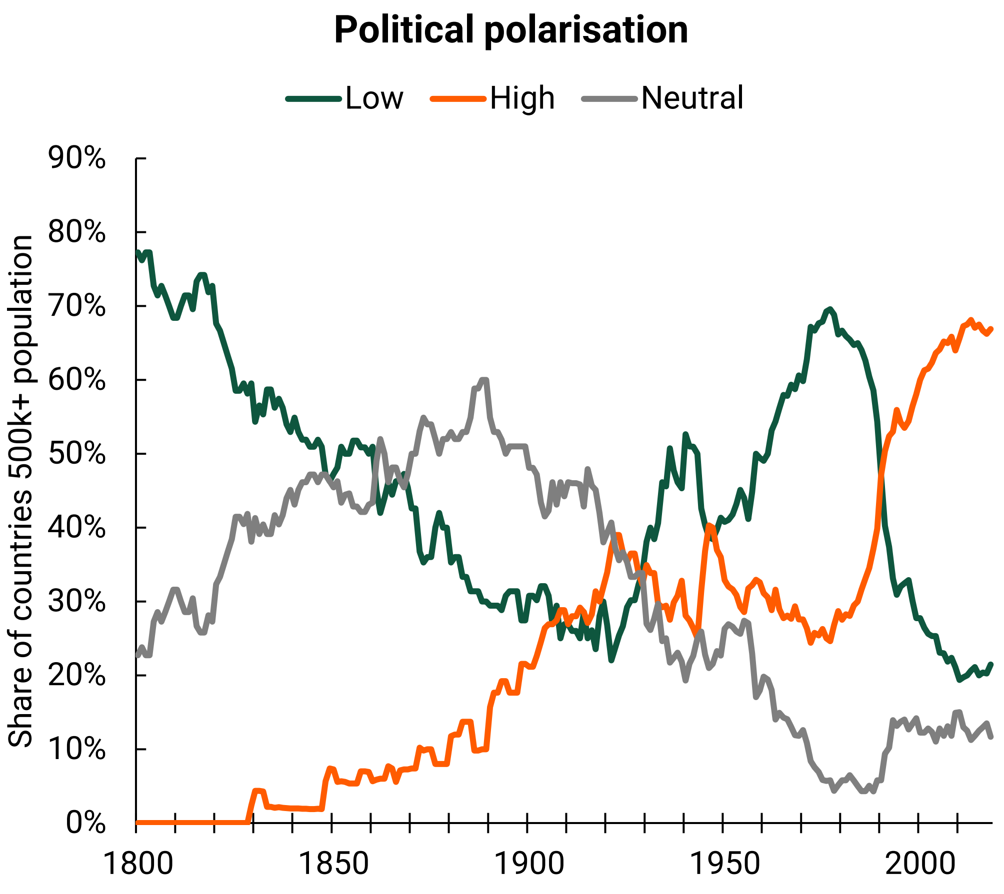
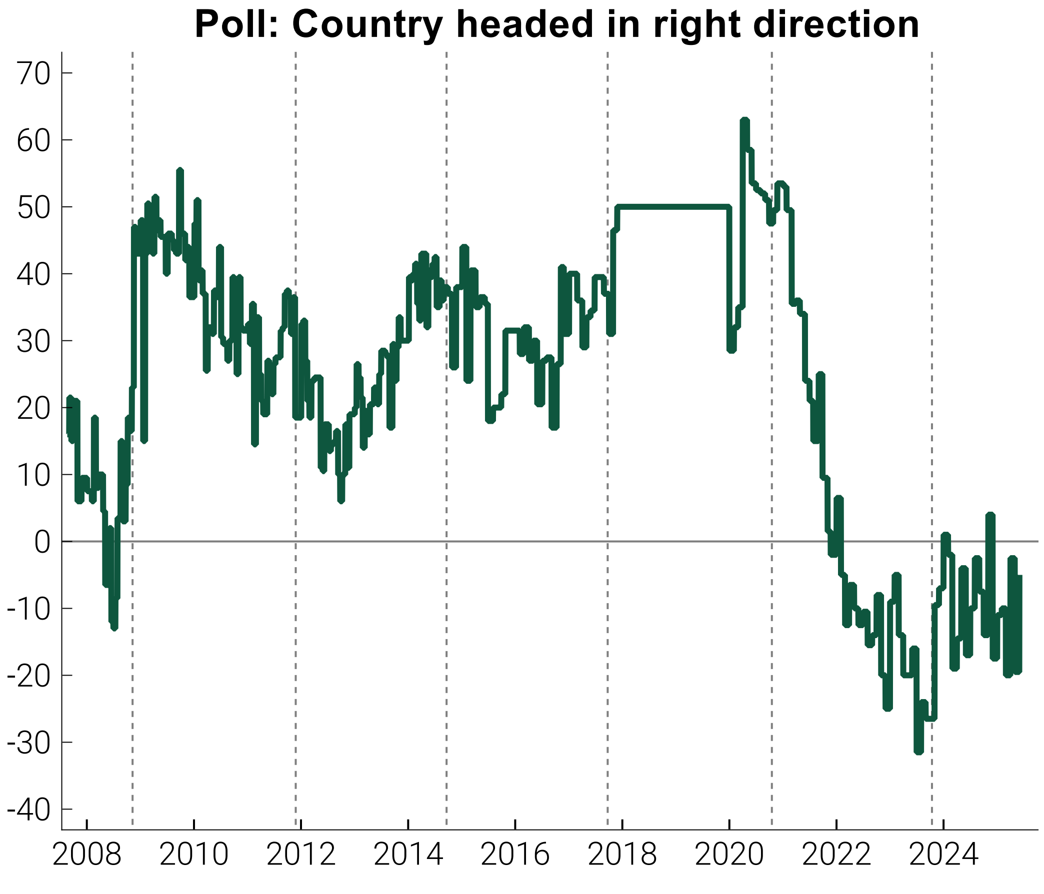
Growing discontent

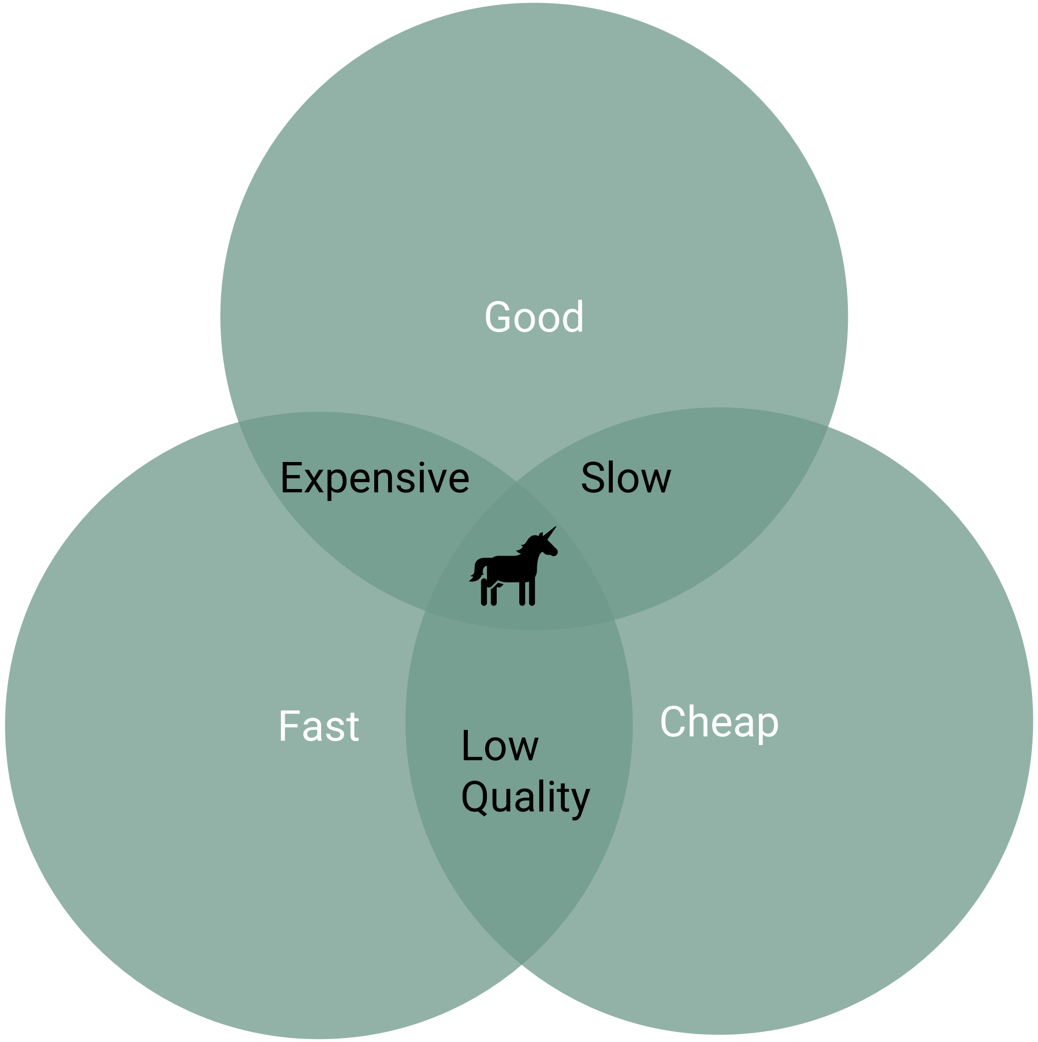


Source: Polity Project, Simplicity Research Hub



Source: Roy Morgan, Simplicity Research Hub

Unicorns and consequences



Politics

Unorthodox/less durable policy

Institutions under attack

Fiscal pressures

No centre/fractured

It matters!

Describes economy

Proximate Sources

Labour | Capital | Technology

Human Capital | Natural Capital | Social Capital | Physical capital | Innovation/ Creativity

Causes prosperity

Fundamental sources

Institutions | Culture | Geography

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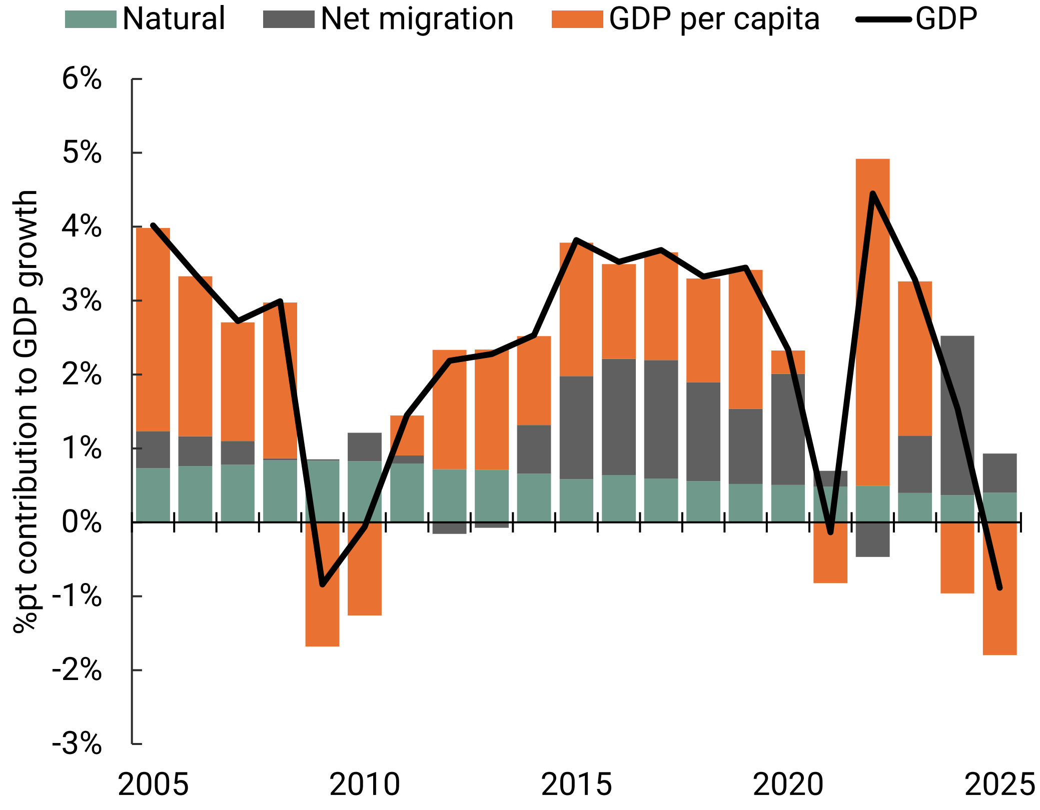
Economic & sector context

Cycle & old issues return

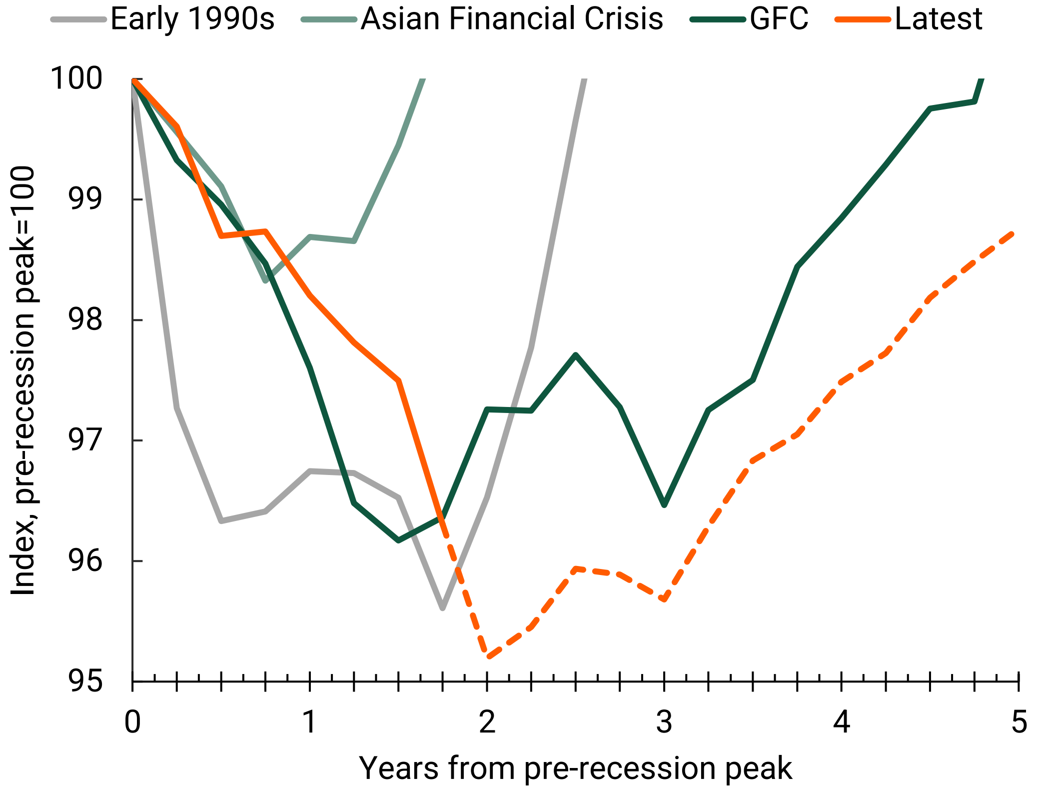
Tough cycle

Composition of GDP growth



Source: Statistics NZ, Simplicity Research Hub

GDP per Capita Through Recessions



Source: Statistics NZ, Simplicity Research Hub

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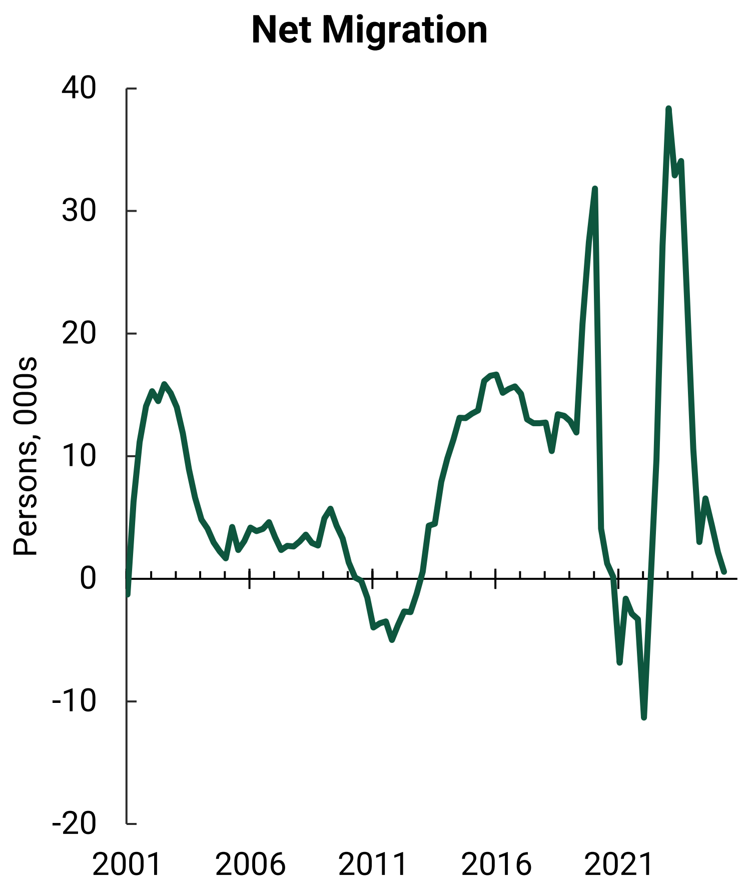
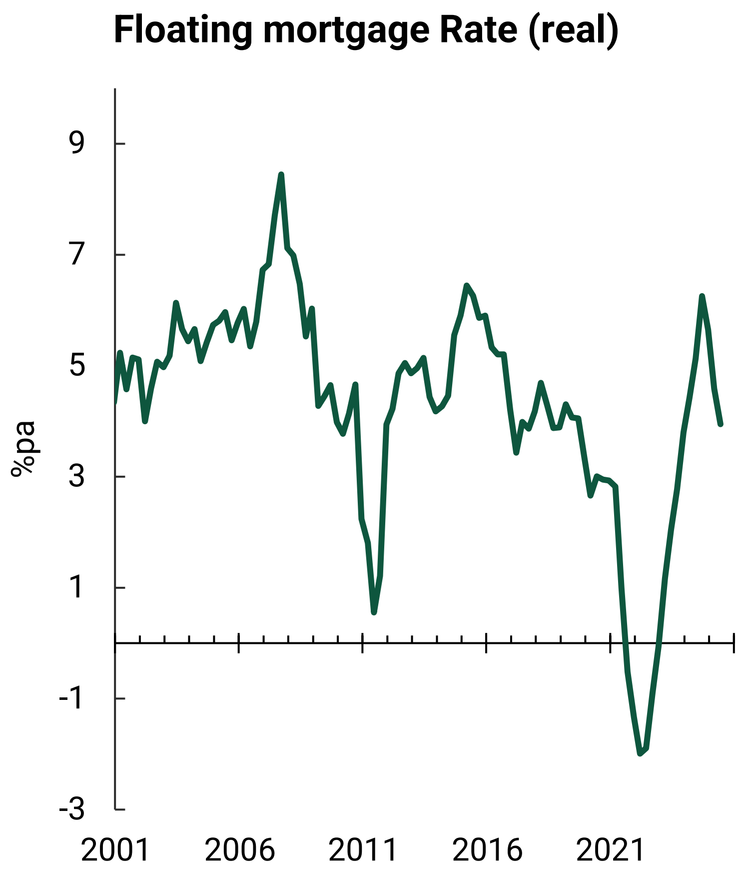
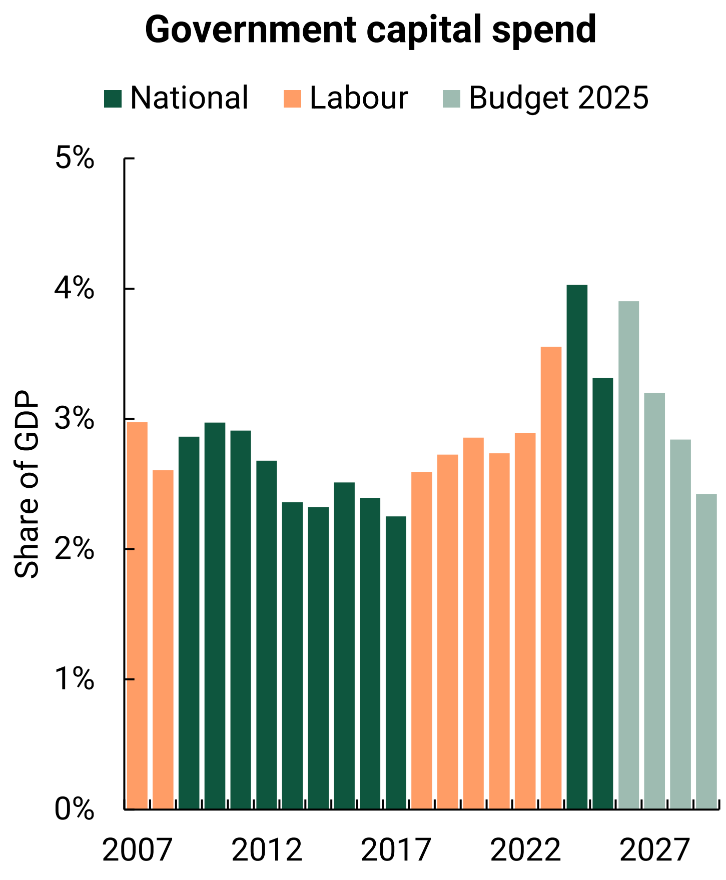
Policies amplify the cycle



Source: Stats NZ

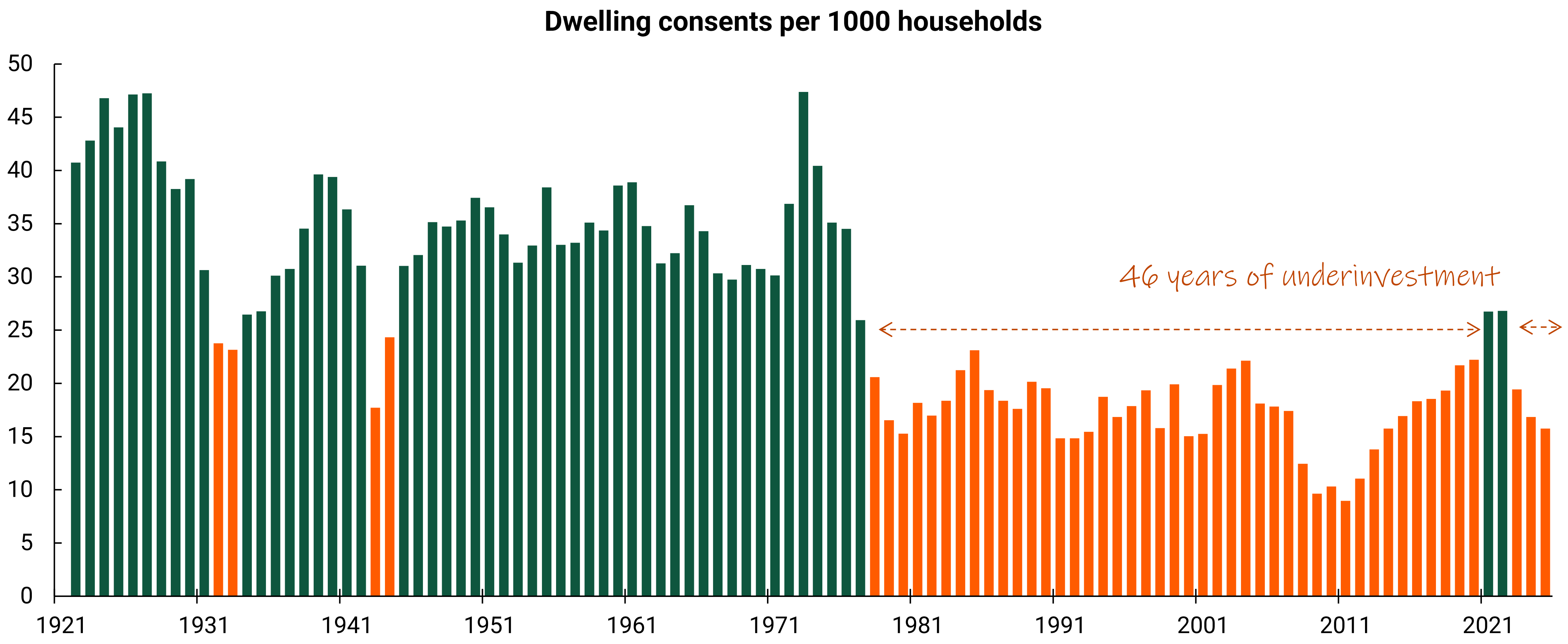


Source: RBNZ, Stats NZ



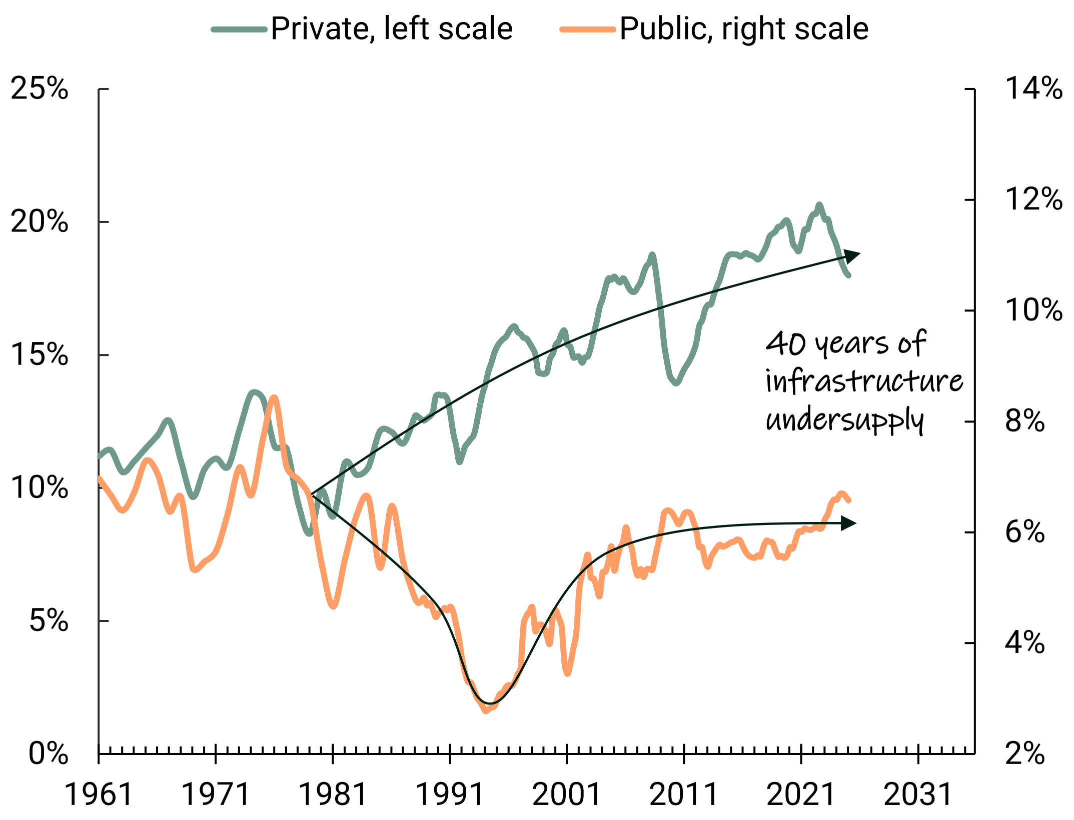
Source: NZ Treasury, Stats NZ

Much work to do

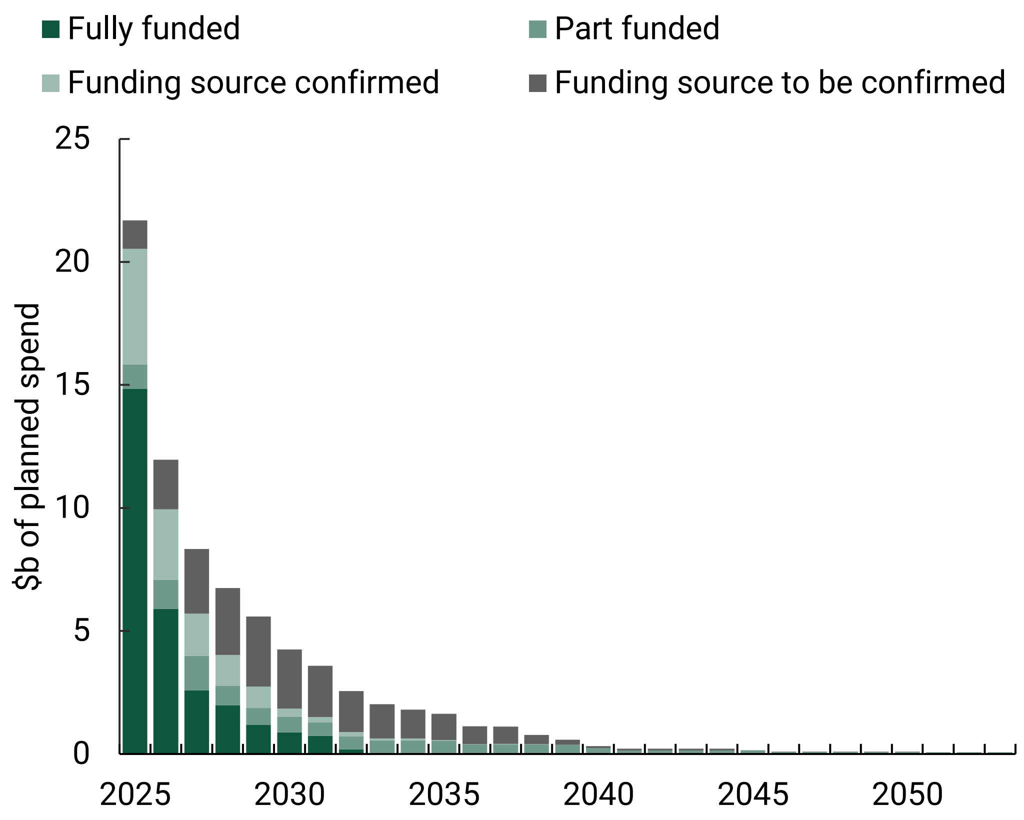


Source: Statistics NZ, Simplicity Research Hub

Noise vs signal



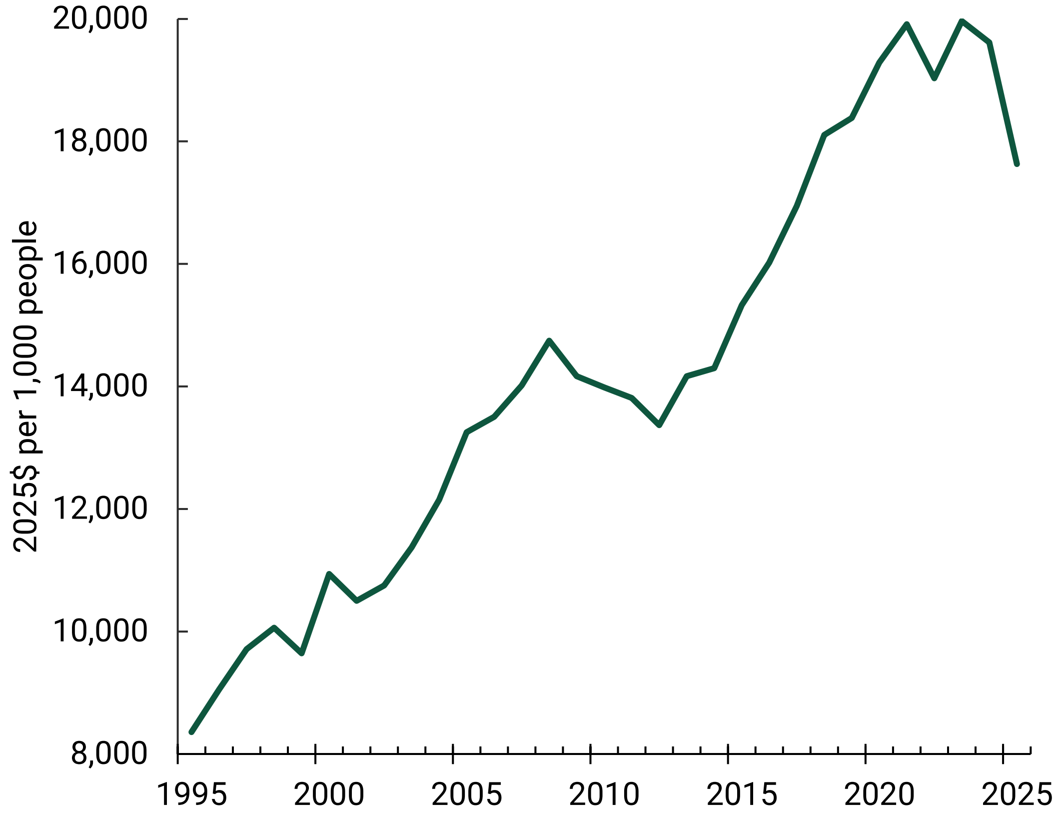
Source: Statistics NZ, Simplicity Research Hub



Source: Infrastructure Commission, Simplicity Research Hub

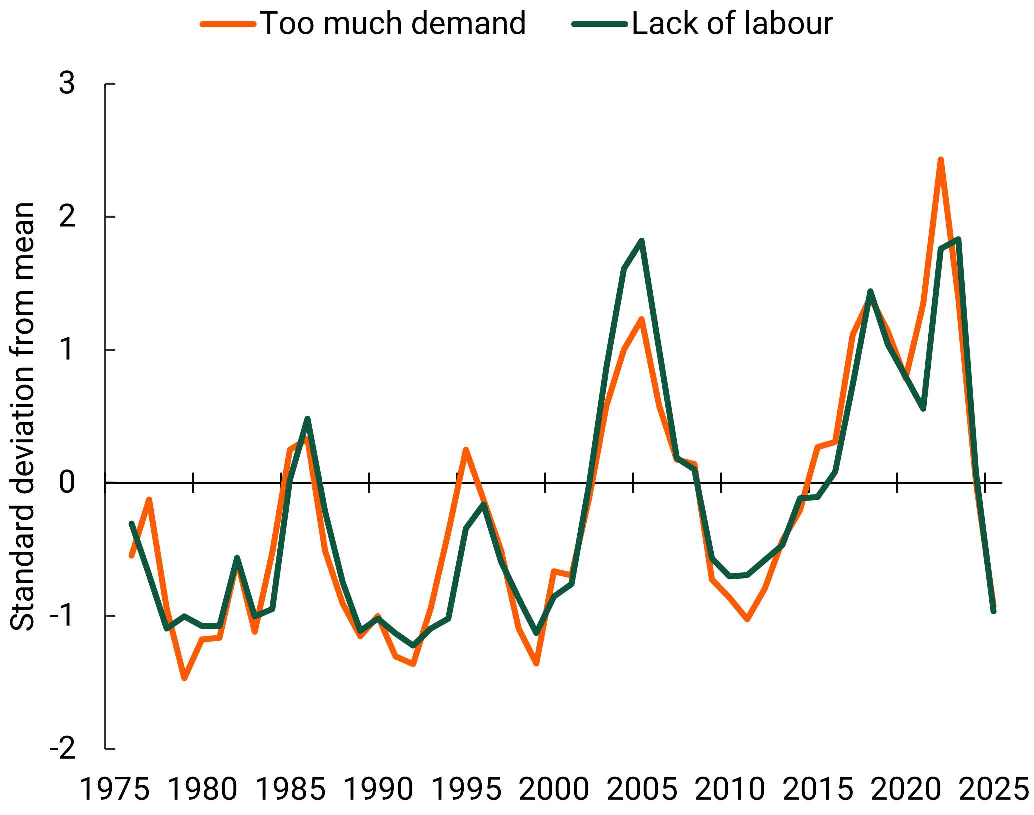
Demand or people

Construction activity volume per capita



Source: Statistics NZ, Simplicity Research Hub

Biggest constraints for builders



Source: NZIER *QSBO*, Simplicity Research Hub

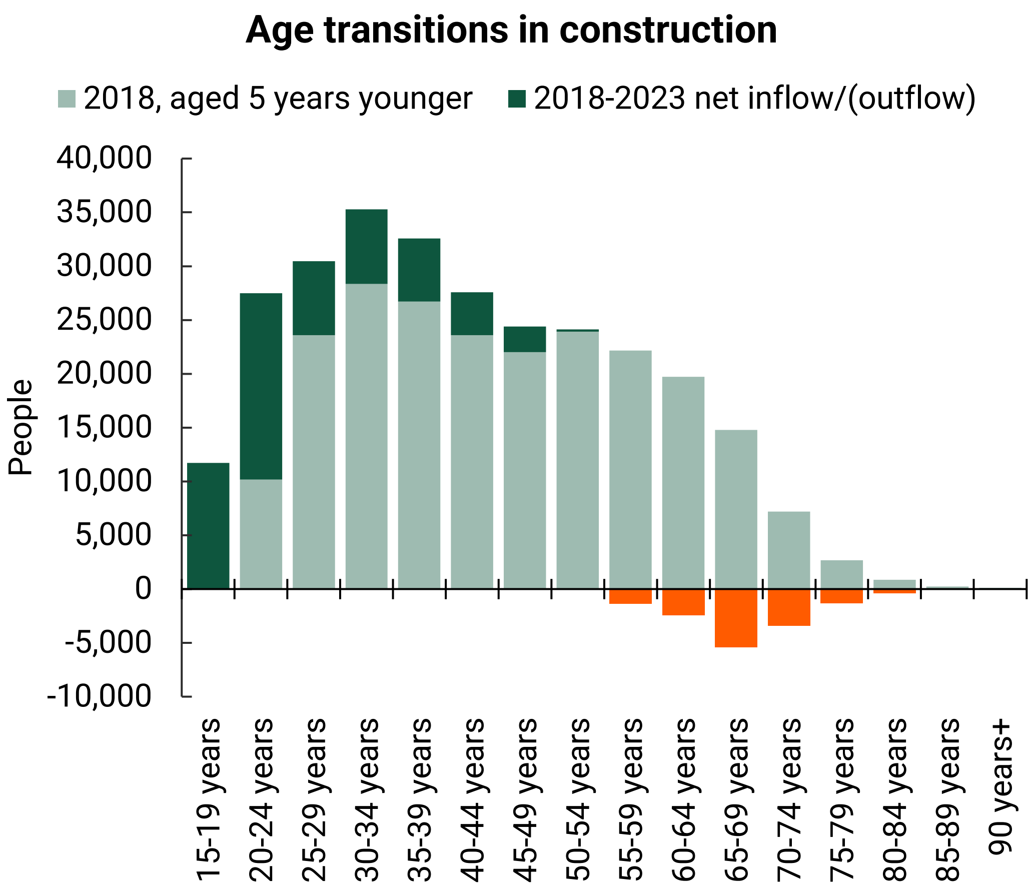
Catalysts

PRODUCTIVITY

SAFETY

DEMOGRAPHY

Demographic headwind



Source: Statistics NZ, Simplicity Research Hub

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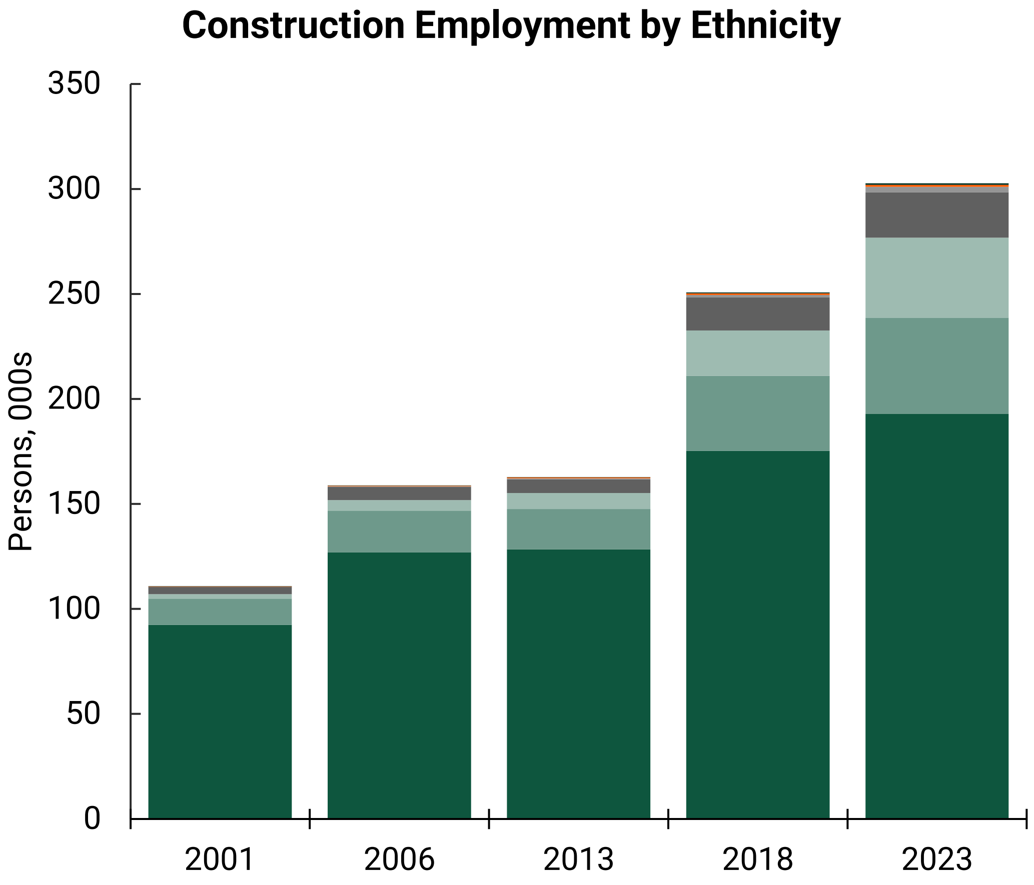
Changing mix



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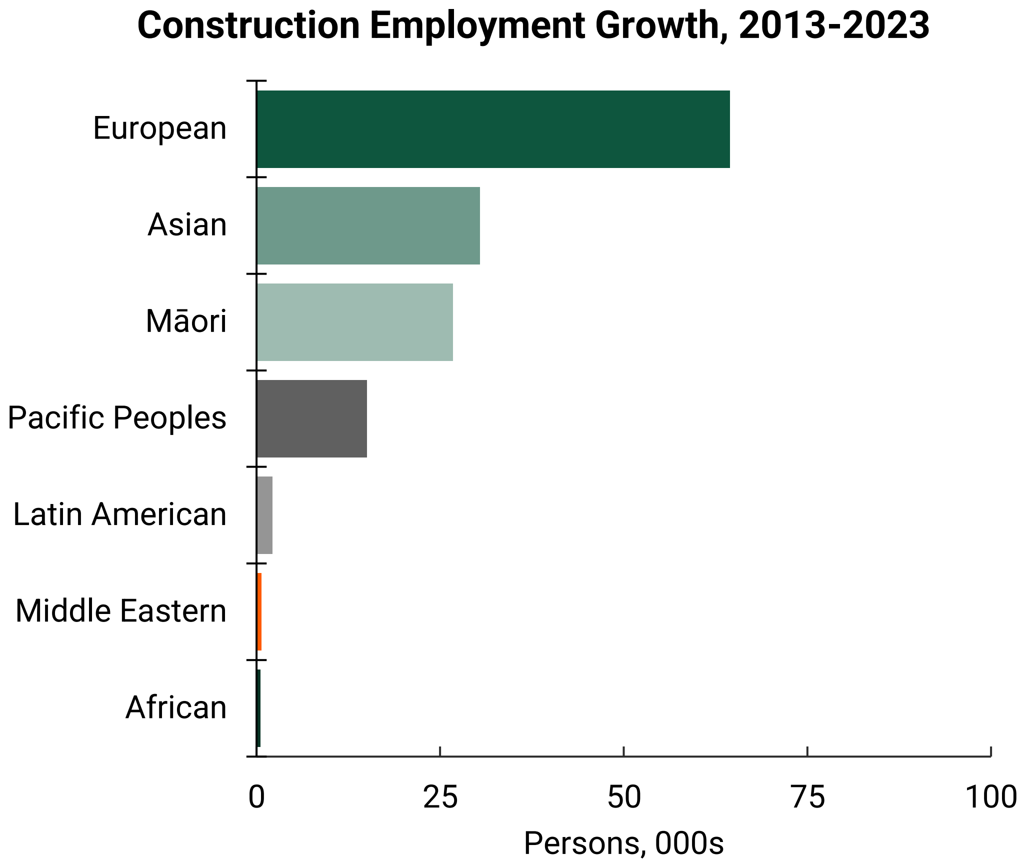
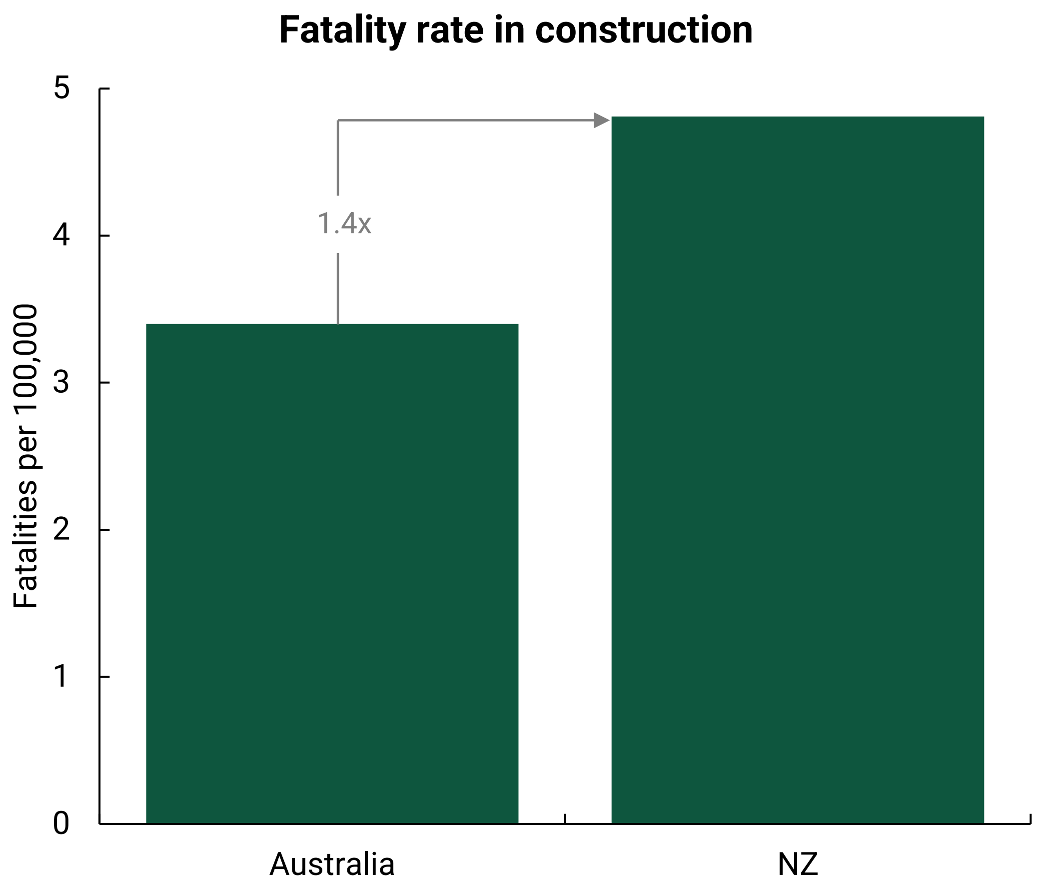
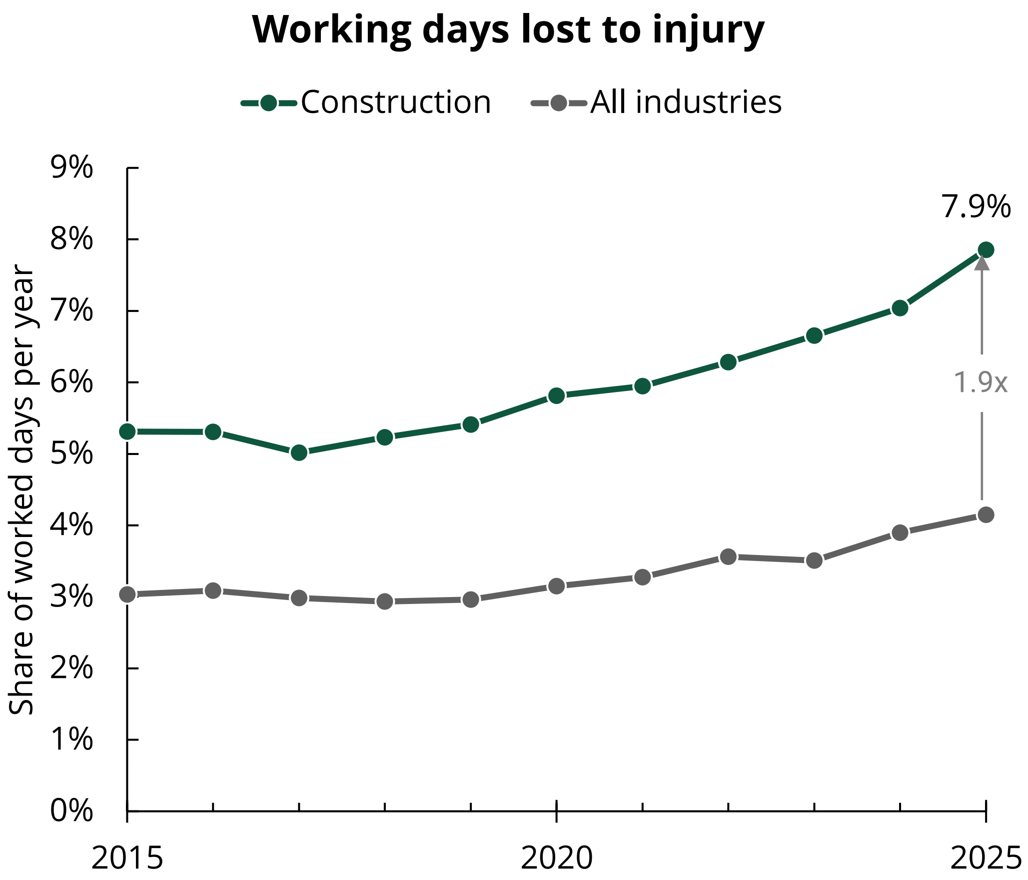


Source: Statistics NZ, Simplicity Research Hub

Safety handbrake

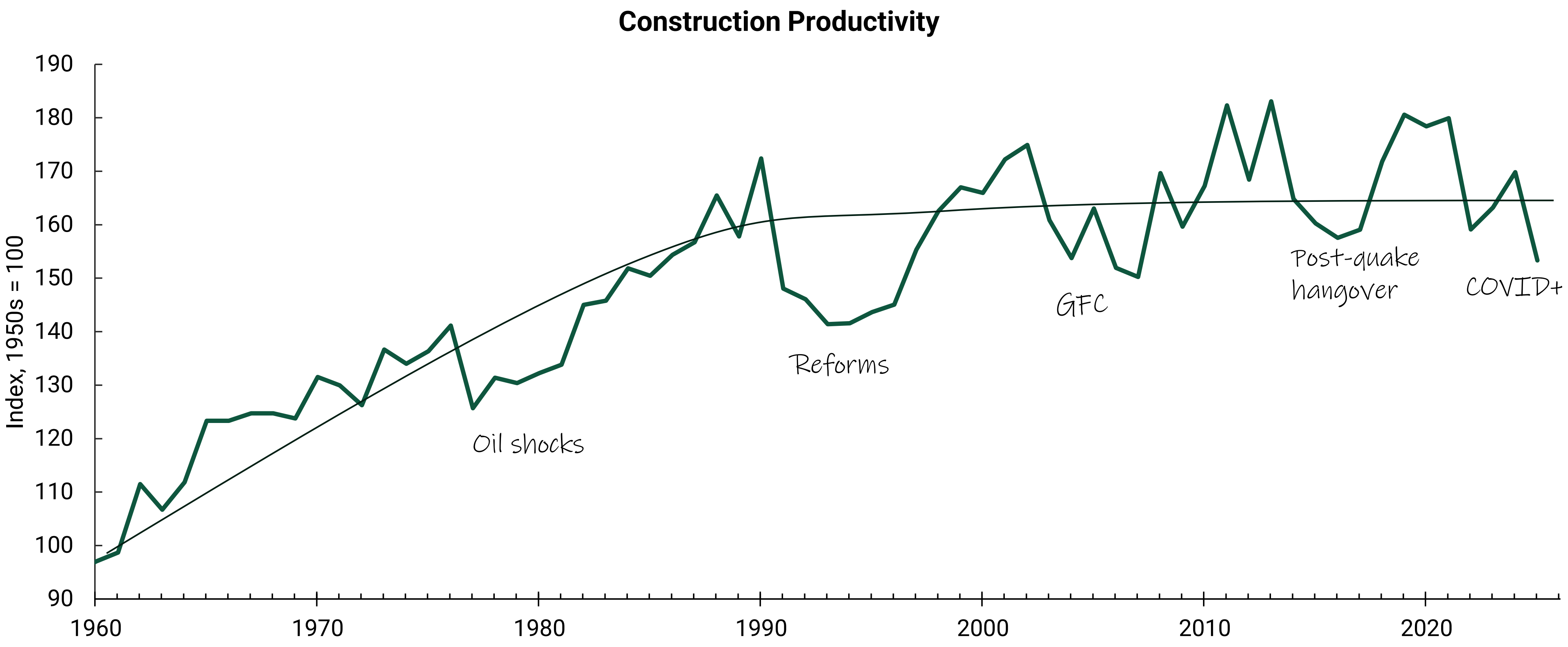


Source: SafeWork Australia, WorkSafe NZ, Simplicity Research Hub



Source: ACC, Statistics NZ, Simplicity Research Hub

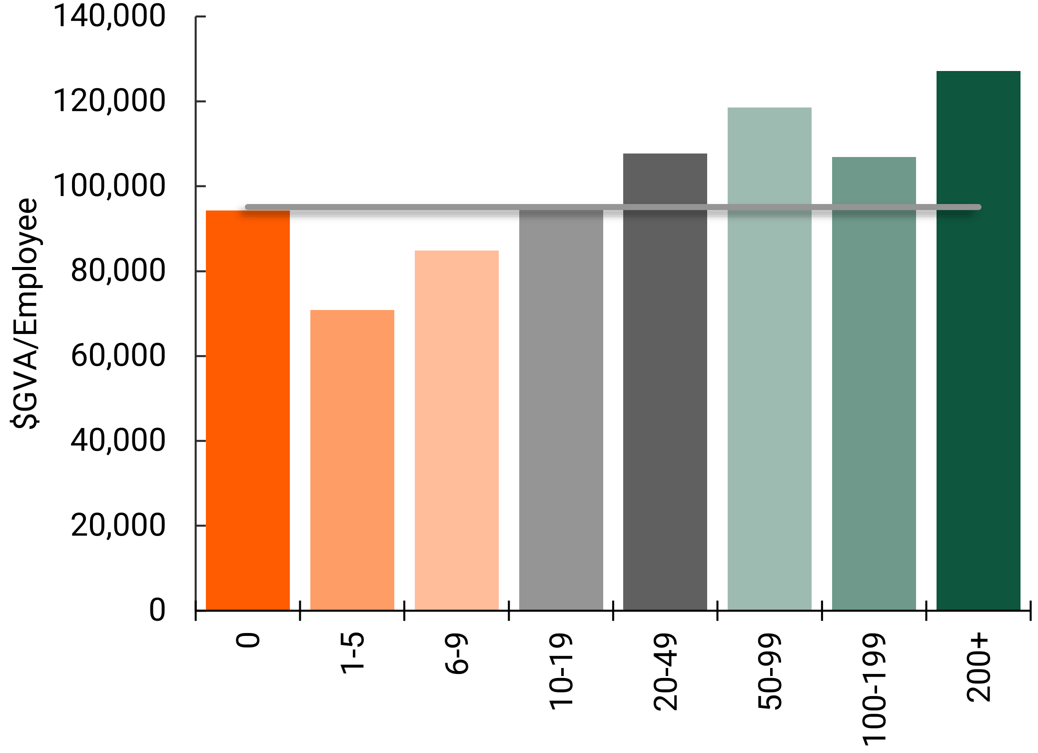
Productivity



Source: Statistics NZ, Simplicity Research Hub

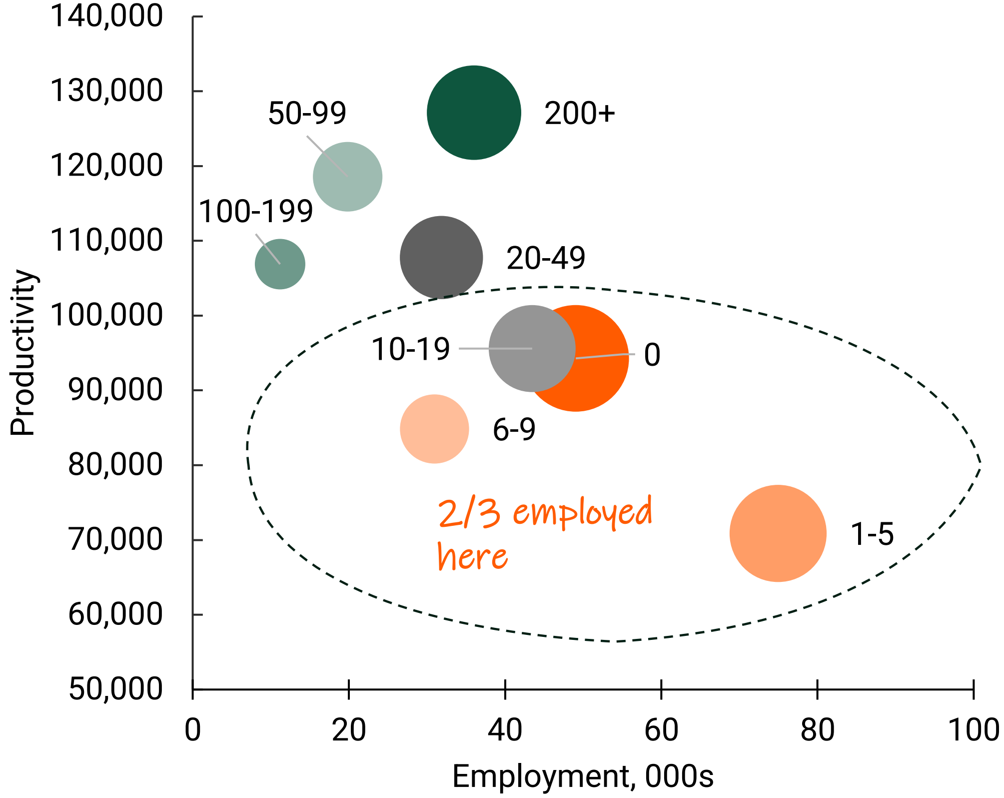
Size matters; right size intervention

Construction Productivity



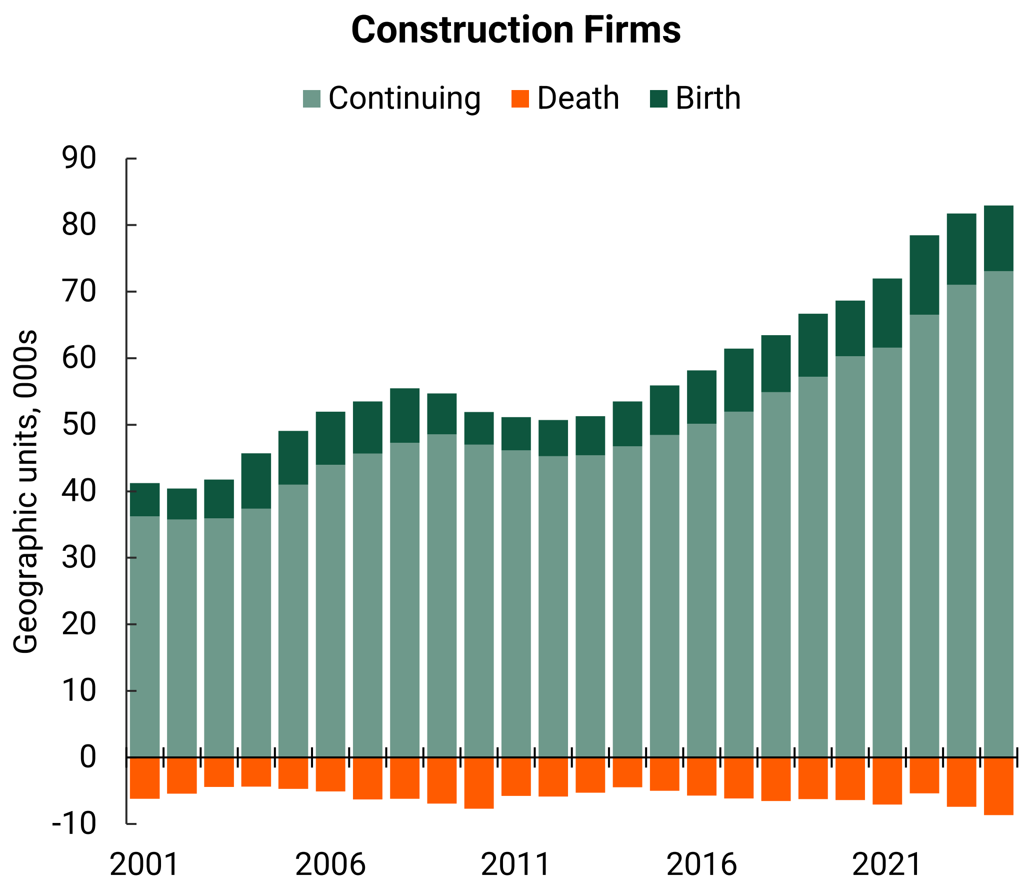
Source: Statistics NZ, Simplicity Research Hub

Construction productivity by firm size

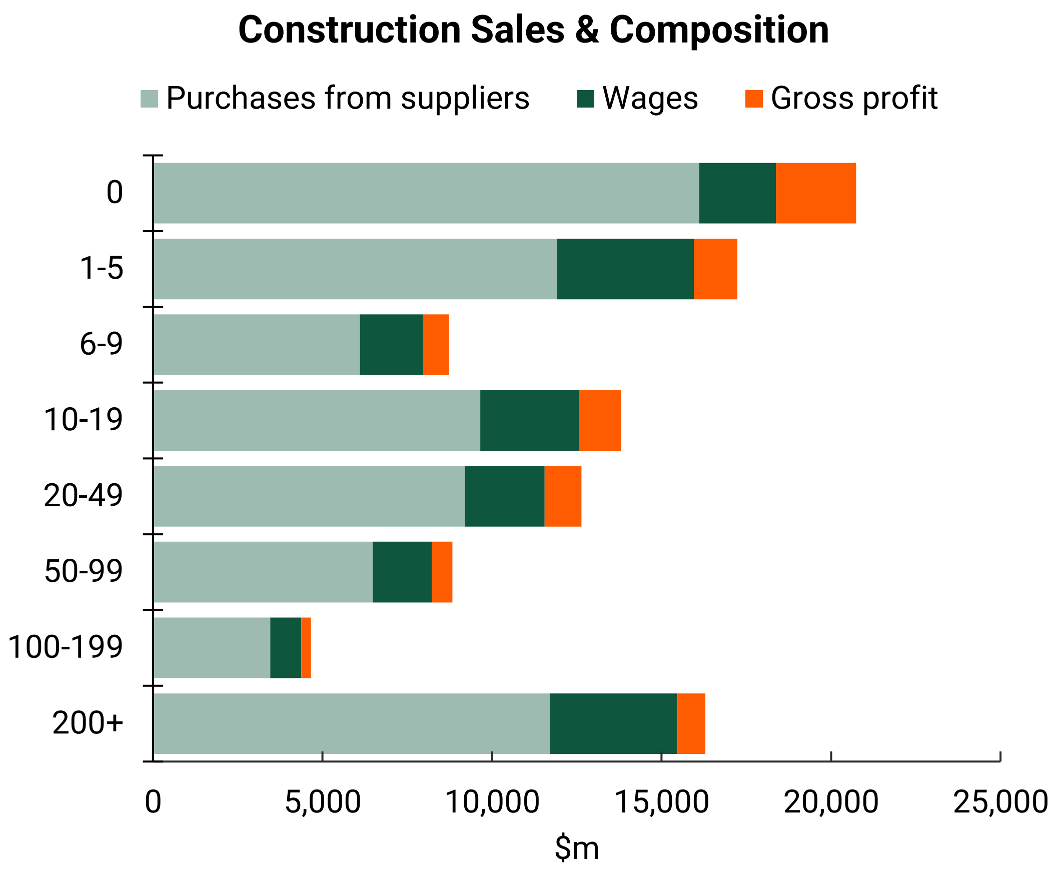


Source: Statistics NZ, Simplicity Research Hub

Dynamic &…

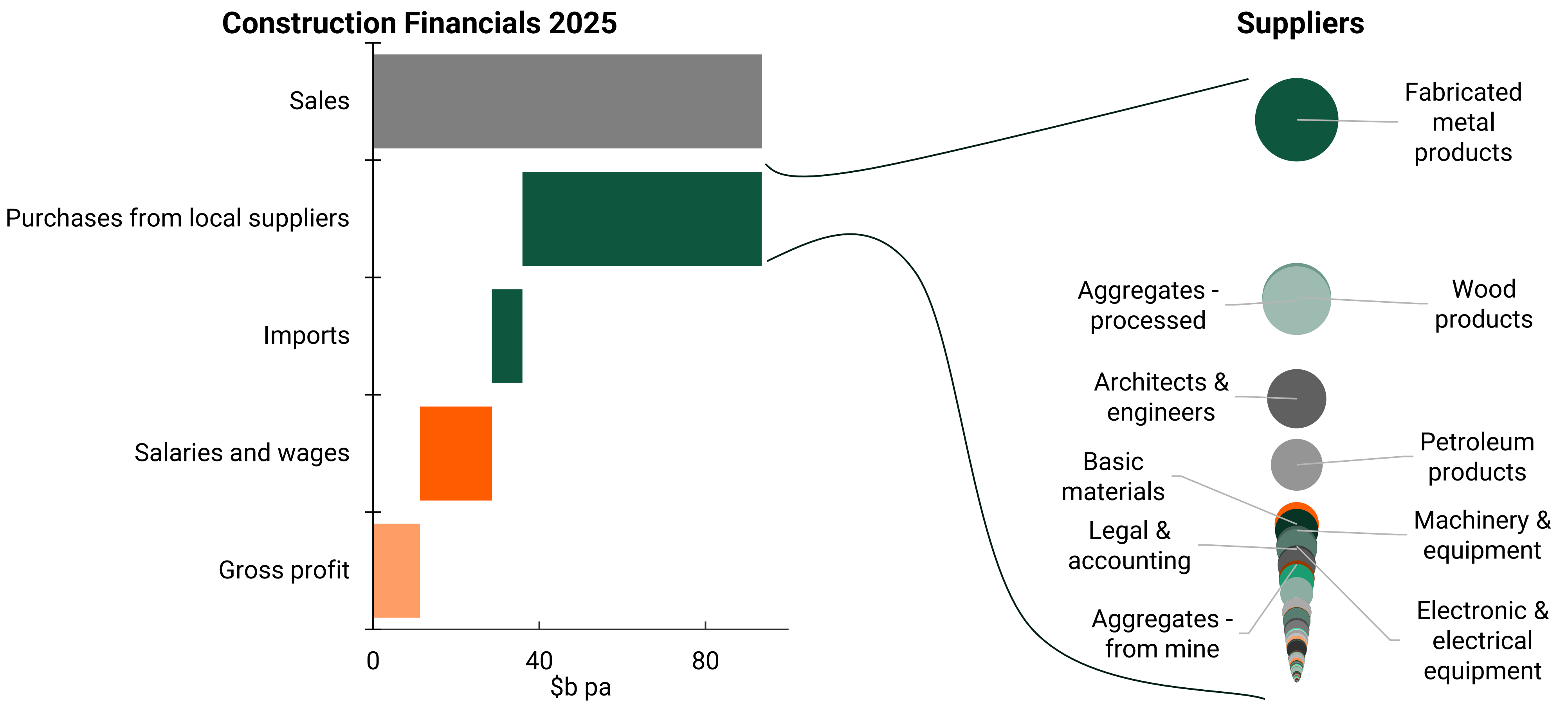


Source: Statistics NZ, Simplicity Research Hub



Source: Statistics NZ, Simplicity Research Hub

…highly networked



Source: Statistics NZ, Simplicity Research Hub

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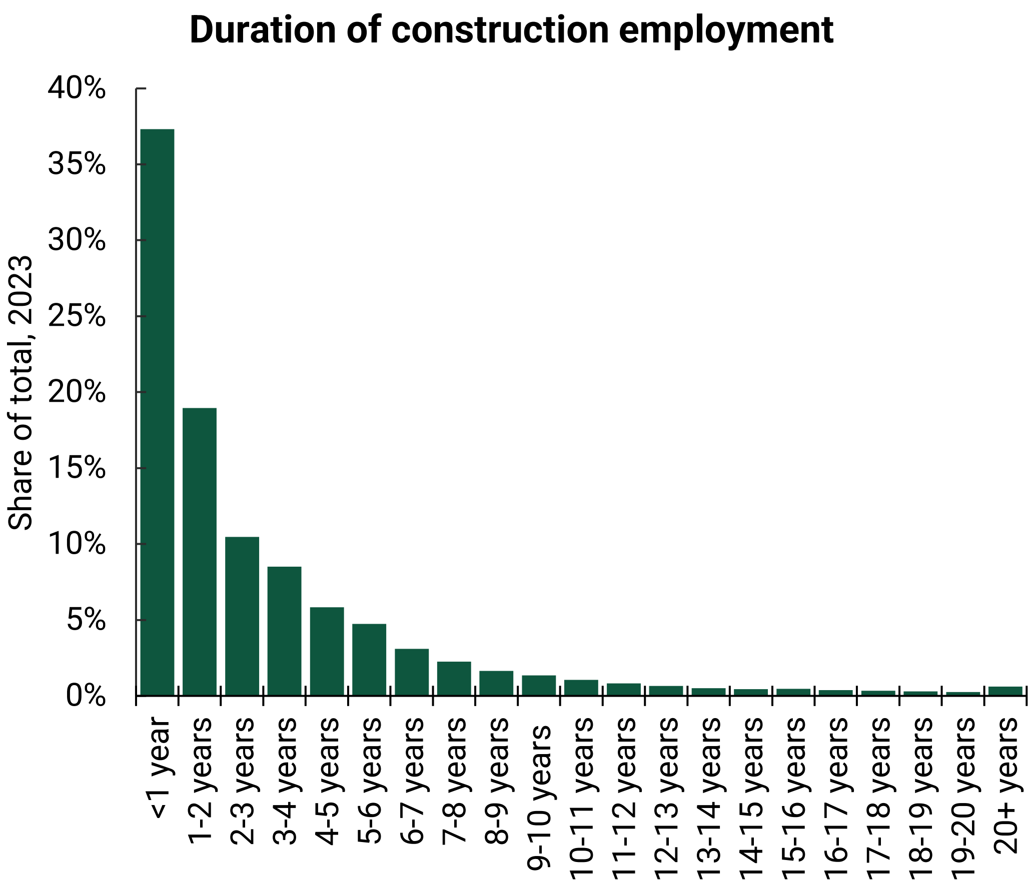
Same with people



Source: Statistics NZ, Simplicity Research Hub

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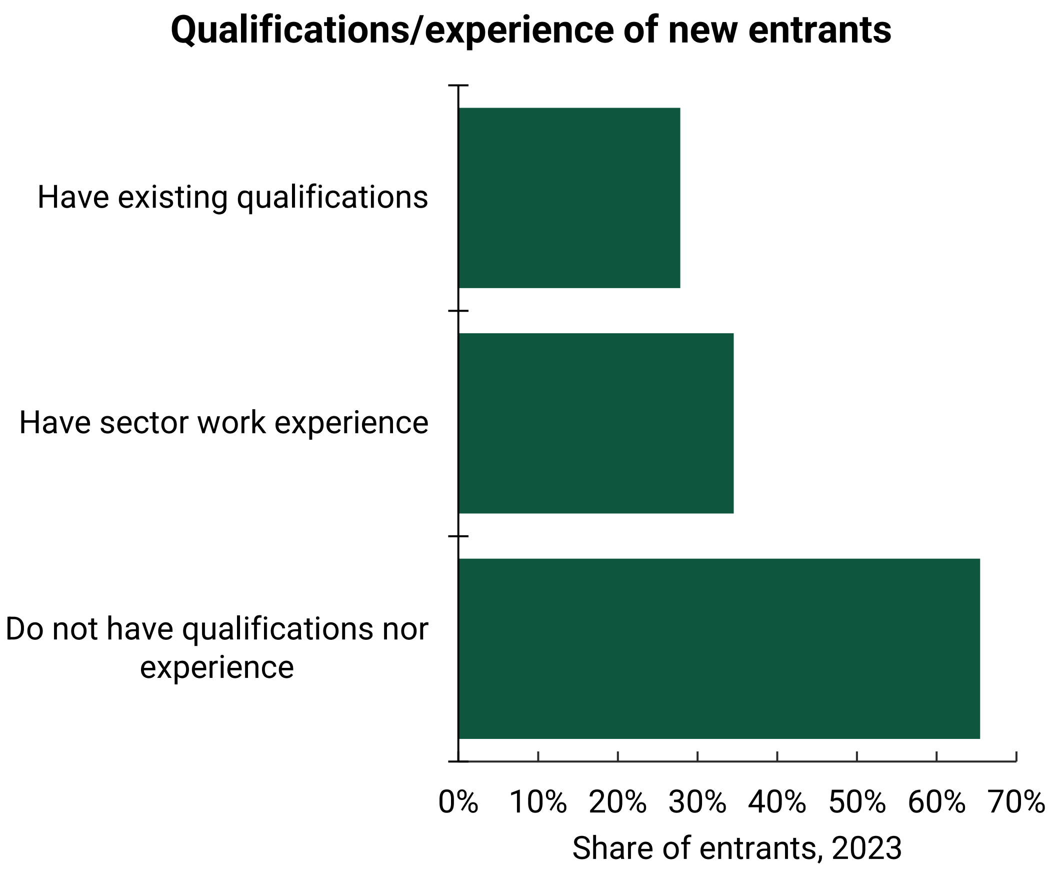
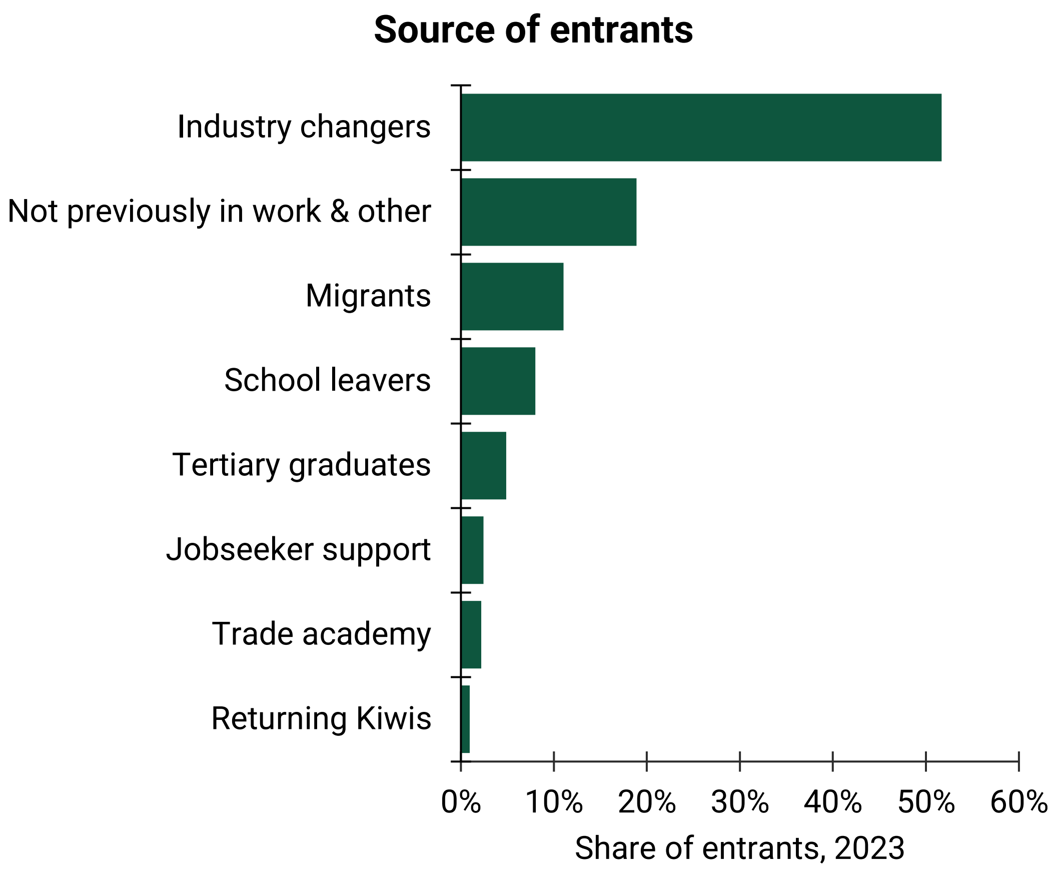
Hiring is first of many steps

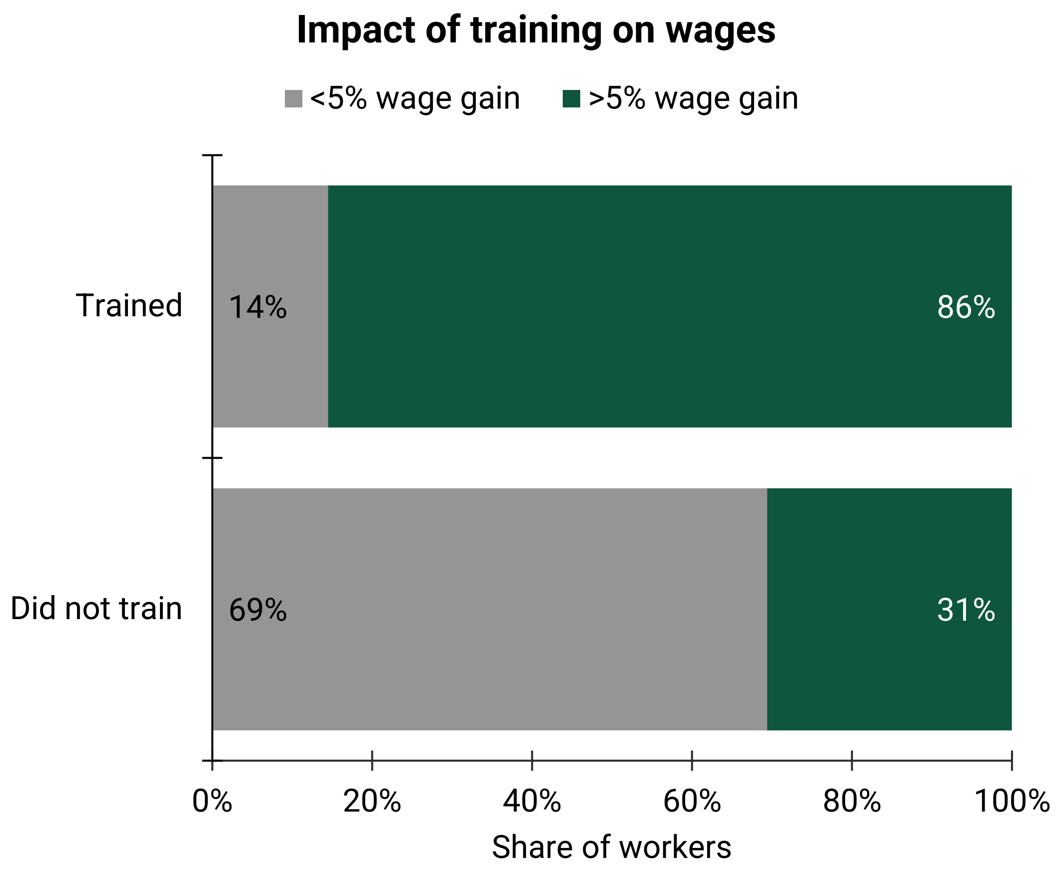


Source: ConCOVE Tūhura , Simplicity Research Hub

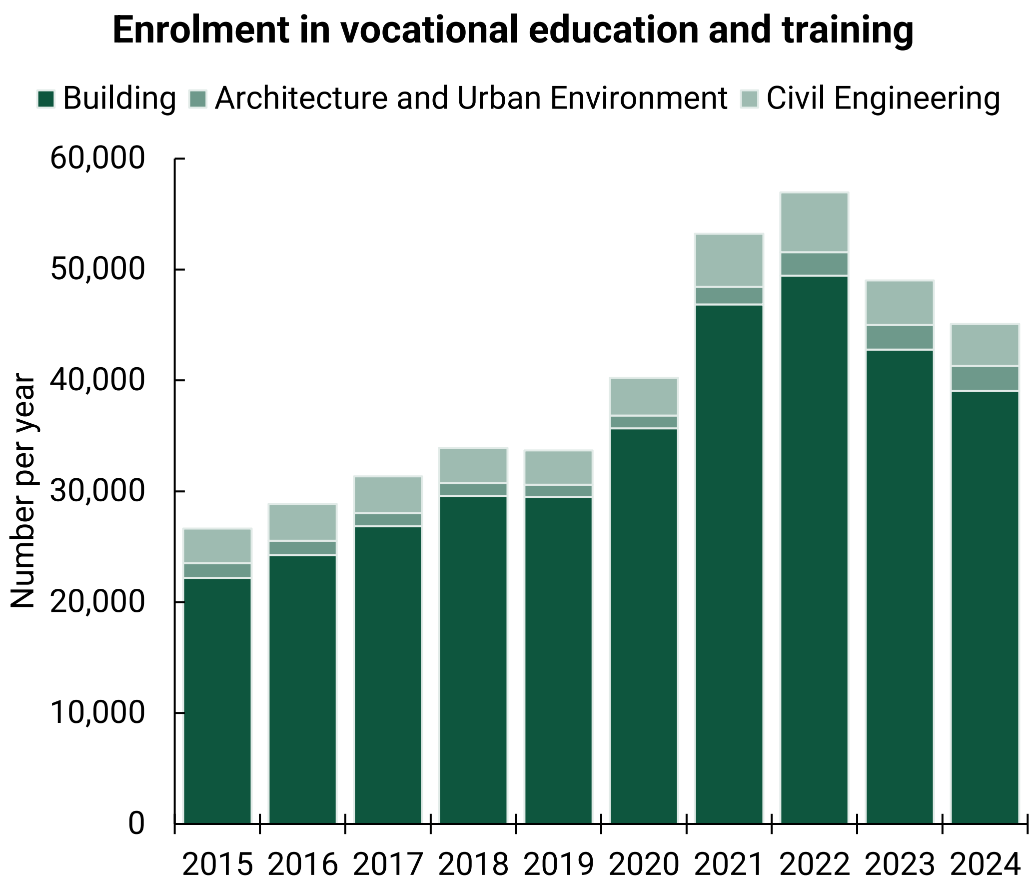


Source: ConCOVE Tūhura , Simplicity Research Hub

Training dividends; slowing

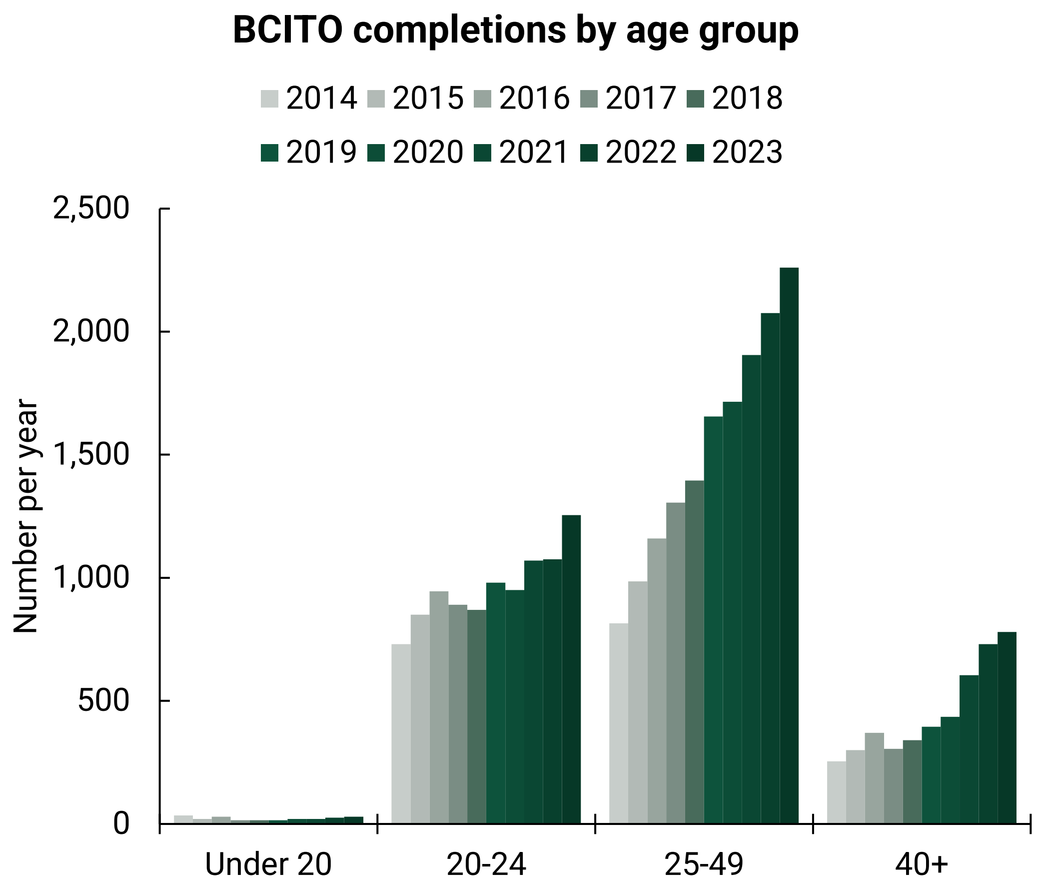


Source: ConCOVE Tūhura , Simplicity Research Hub

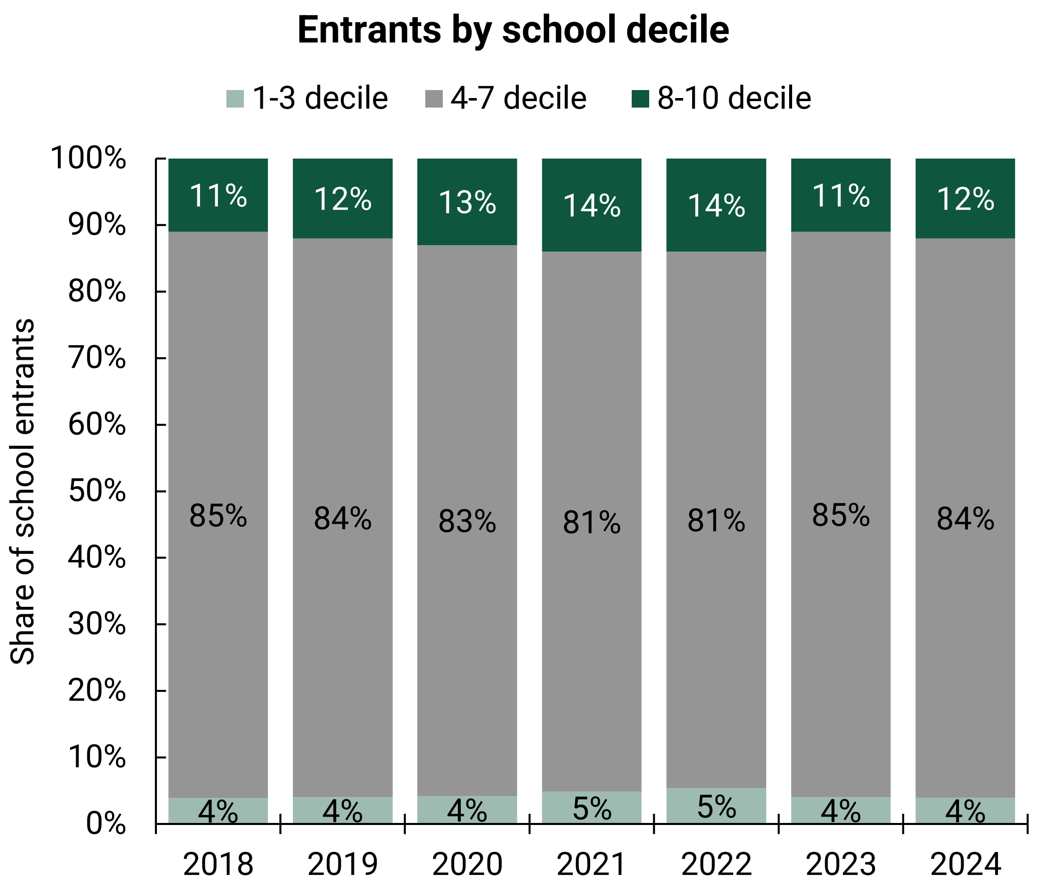


Source: Education Counts, Simplicity Research Hub

Open mind about who

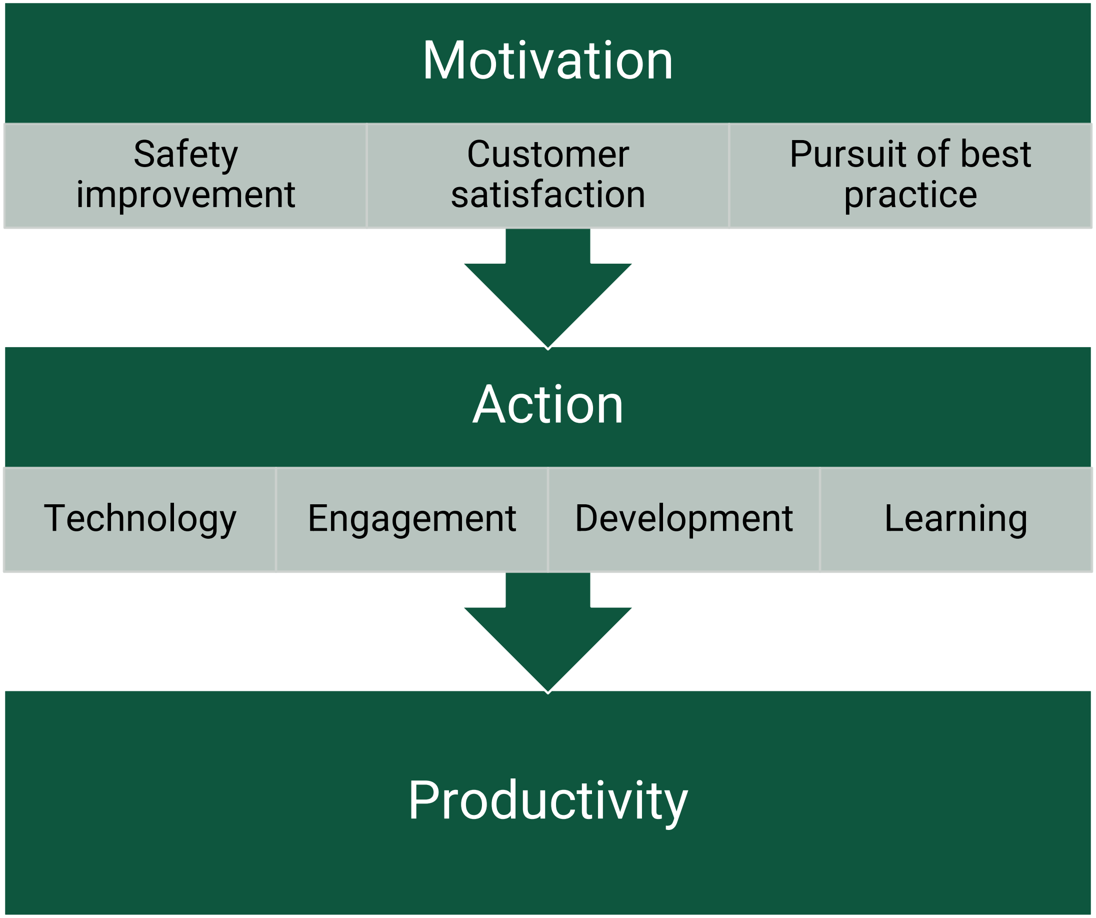


Source: Education Counts, Simplicity Research Hub



Source: ConCOVE Tūhura , Simplicity Research Hub

Open mind about how



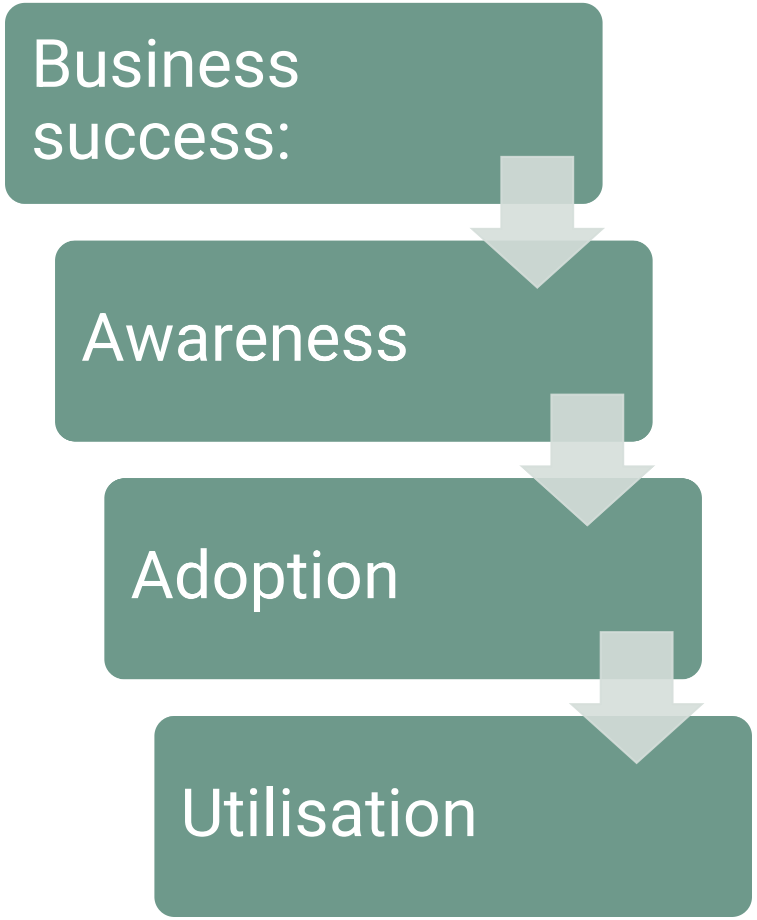
Source: Hays, Simplicity Research Hub

A mental model

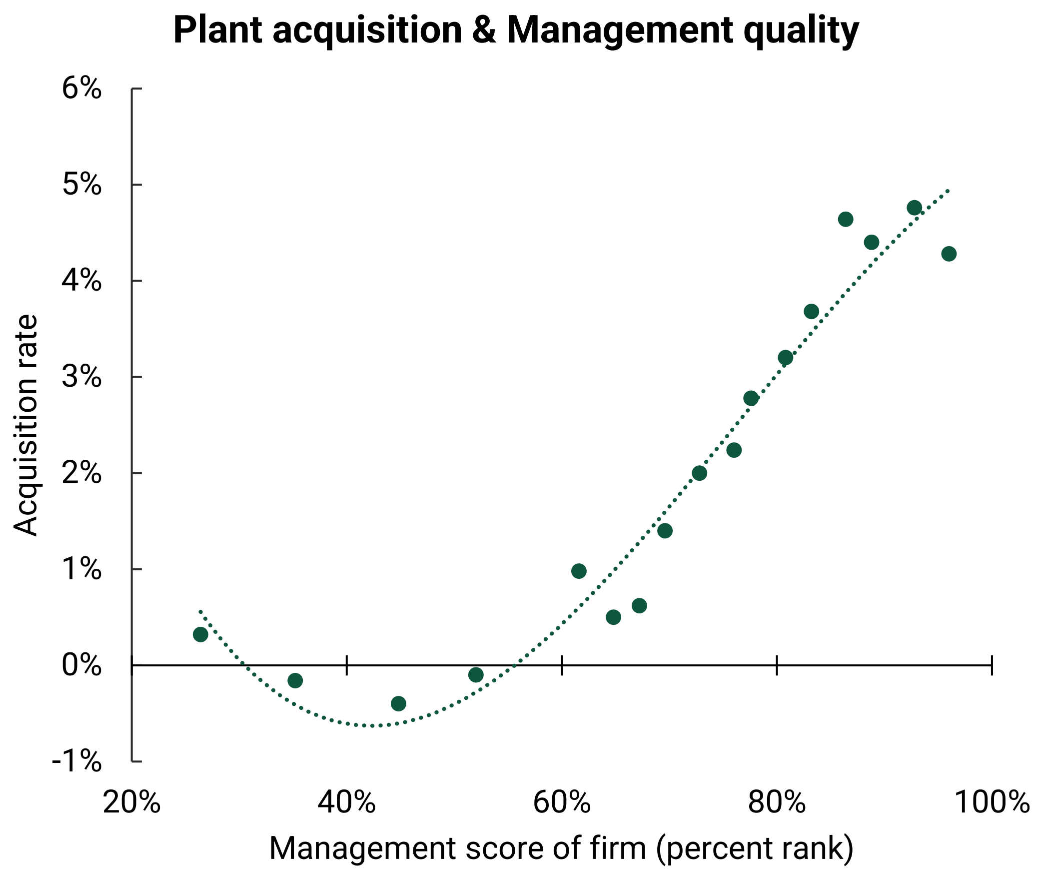
OUTCOMES = Profits + Wages

INPUTS = Capital + Labour + Interaction

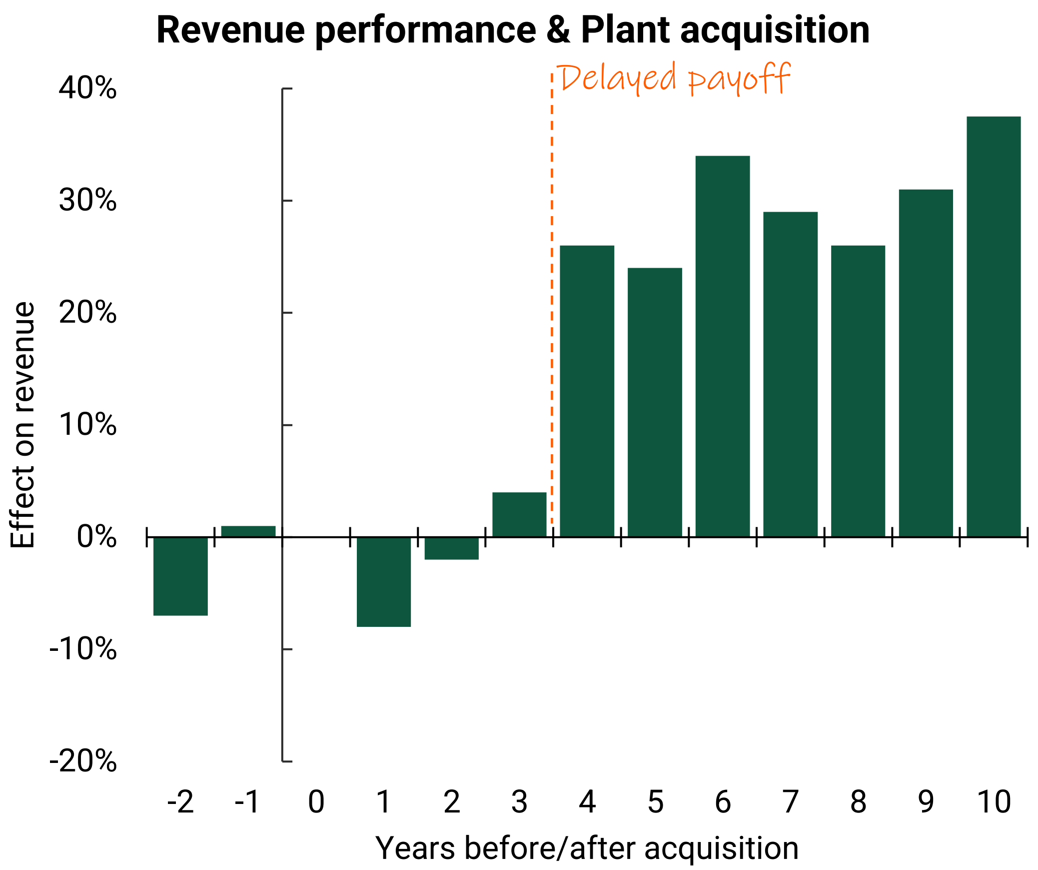
CAUSES	Capital	Labour	Interaction	LEVER
What's available?	• Endowments • Technology	• Endowments • Demographic • Job market	• Credentials / qualifications	EXTERNAL
Do I have it?	• Funding • Financing	• Pay • Career progression • Felixbility • Job satisfaction	• Attributes • Training • Learning by doing	
Can I use it?	• Leadership • Managment • Culture			INTERNAL



Not just technical skills

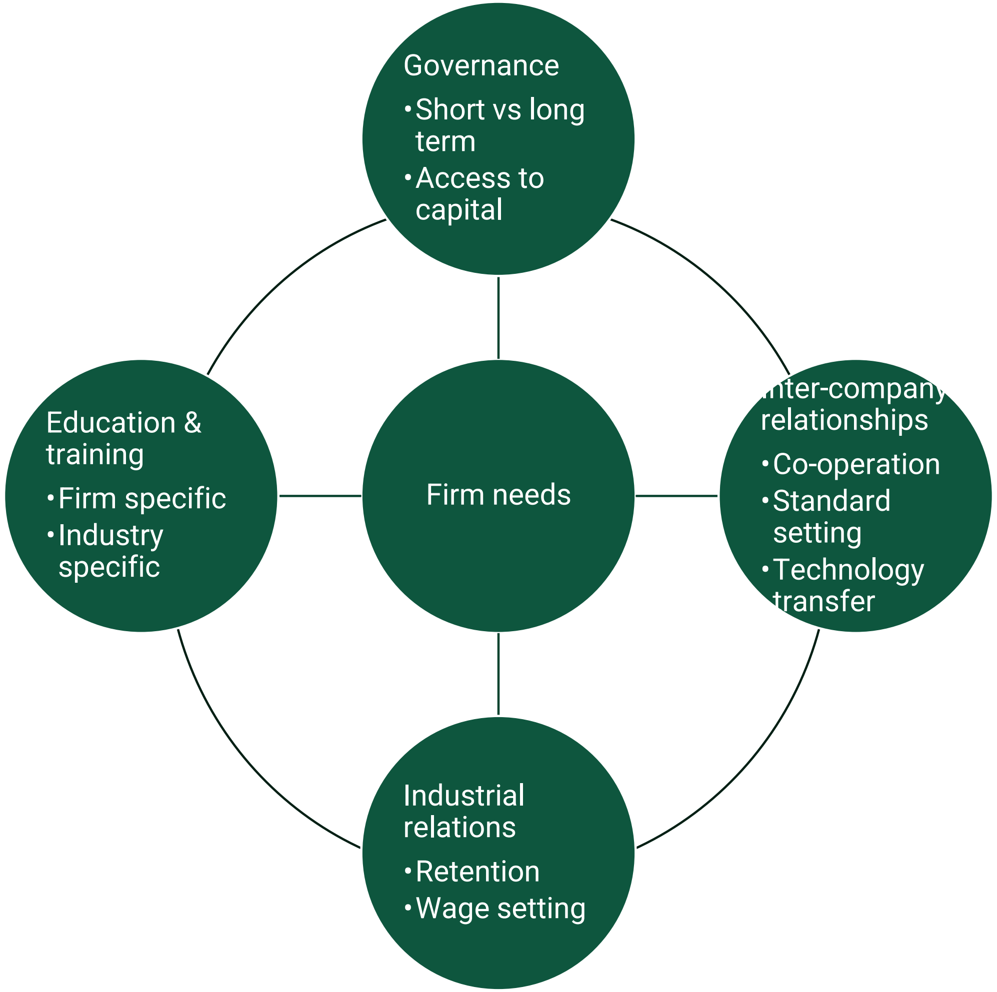


Source: Bloom, N., Hartley, J., Sadun, R., Schuh, R., & Van Reenen, J. (2025, August 13). How firms spread good management. Liberty Street Economics.



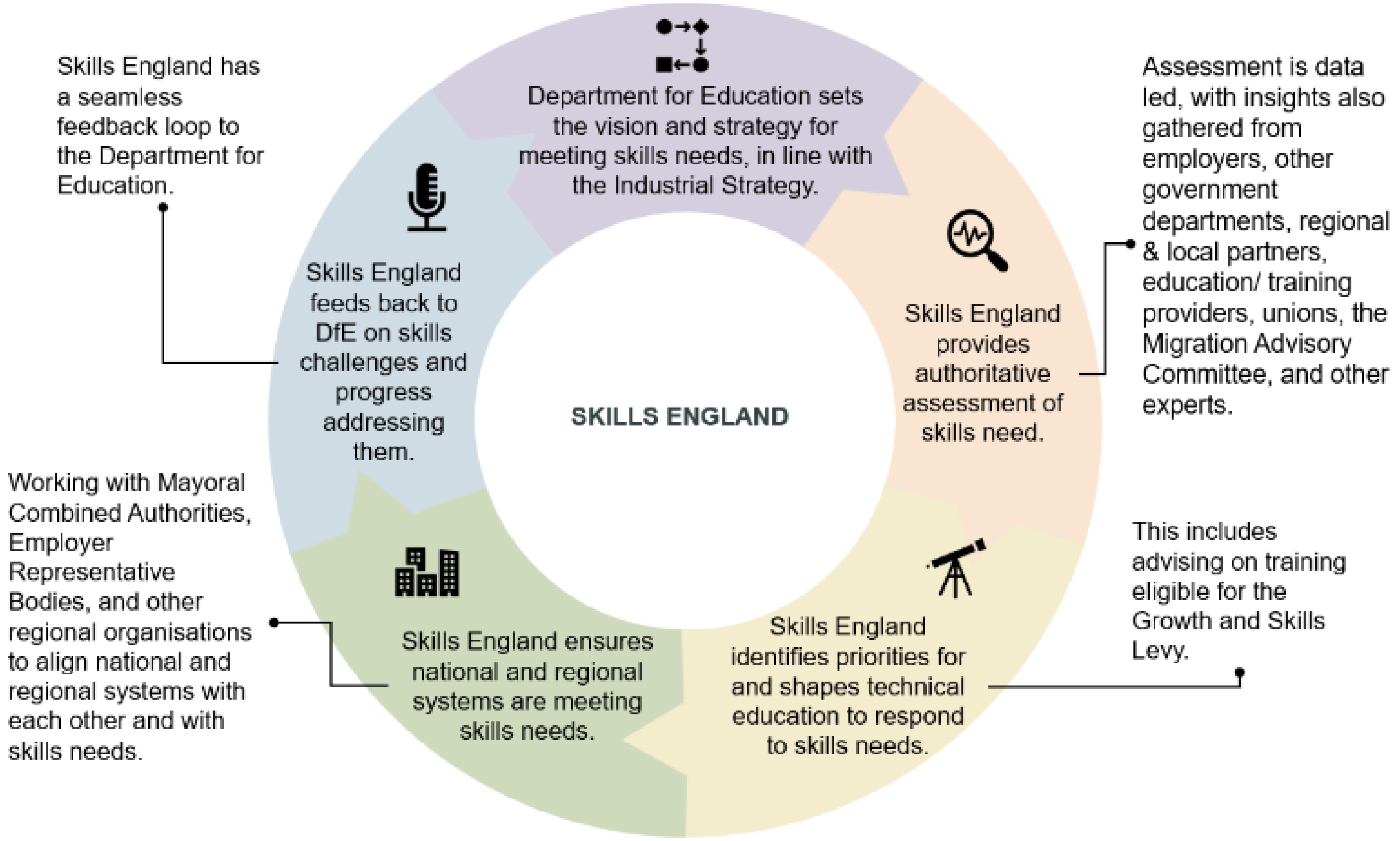
Source: Bloom, N., Hartley, J., Sadun, R., Schuh, R., & Van Reenen, J. (2025, August 13). How firms spread good management. Liberty Street Economics.

Our system is prone to short termism



Source: Hall, P. A., & Soskice, D. (Eds.). (2001). Varieties of Capitalism: The Institutional Foundations of Comparative Advantage. Oxford University Press.

Models we can copy



Missing pieces of the puzzle

Clear stewardship functions	Designated and active feedback loops	Representation from across segments	Control
• shared business, economic and social goals	• based on close relationships with industry and workers • to ensure learning, adaptation, and accountability	• The sector is broad and diverse • Changing age & ethnicity mix too	• How can industry exert control over short term politics? • Levy, industry led governance, something else?

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