



# **SUBMISSION: BUILDING (BUILDING PRODUCTS AND METHODS, MODULAR COMPONENTS, AND OTHER MATTERS) AMENDMENT BILL**

Engineering New Zealand (formerly IPENZ) is New Zealand's professional home for engineers. We are New Zealand's strongest and most influential voice on engineering issues, with more than 22,000 members who want to help shape the public policy agenda and engineer better lives for New Zealanders.

This submission addresses the Bill introduced to Parliament on 8 May 2020.

We have provided a short and focussed response and request a chance to appear before the Select Committee to speak to the submission points in more detail.

## **BACKGROUND**

Engineering New Zealand consulted its members on the proposed changes and presented our members' feedback in our submission dated 15 June 2019.

To the extent that the Bill aligns with that submission, Engineering New Zealand welcomes the proposed changes, and supports the Bill's intent to reduce harm. However, we consider the Bill does not go far enough to tighten the regulation of building products and methods.

Engineering New Zealand supports the Construction Industry Council's (CIC) position and submission on this Bill, and has consulted with the CIC in preparing our submission.

## OUR RESPONSE TO THE BILL

While the Bill proposes to tighten up regulation pertaining to building products and methods, it does not introduce enforcement processes. We consider this is a significant omission, in that the new system proposed does not seem to be any more effective than the current CodeMark system nor the nature of current information disclosure. There is a risk that the new measures will add to bureaucracy but not affect outcomes. This feeds into wider concerns about building sector regulation and enforcement generally, and a need for a more rigorous system.

It appears no additional mechanisms are proposed to enforce new building product legislation. Beyond suppliers being required to disclose minimum building product information (which still needs to be defined in subsequent regulations), there is no mention of more measures to verify what is being disclosed. Mention is made that importers, manufacturers, suppliers, designers and builders can be held accountable for any breaches of their responsibilities in relation to building products, but this may not act as a sufficient preventative measure.

We also consider robust processes and requirements need to be developed for product substitution to ensure Code compliance is not compromised, including processes for decision making, competence requirements of decision makers and liability for resulting non-compliance. The power, should an inappropriate product substitution take place that does not meet the approved building consent documents, should lie with the consultant and/or client to refuse to sign off project completion certification, which in turn may delay/stop the issuing of code compliance certificates.

We support the proposal to broaden the purposes for which the Building Levy can be used, but we are concerned by the move to reduce the levy at the same time. During our consultation, most submissions from our members supported increasing the levy or at least maintaining it at its current level. We understand the majority of submissions received by MBIE from the industry also opposed reducing the levy. In our view there is no compelling policy reason for reducing the levy, and there may be disadvantages in doing so, particularly if it is to be used for broader purposes to support the industry.

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