

# Consultation submission form

## Review of the Building Consent System



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## How to make a submission

The Government has commenced a substantive review of the building consent system. A better building consent system is a key priority of the Government and is necessary to support transformation of our housing market to unlock productivity growth and make houses more affordable.

The aim of the review of the building consent system is to modernise the system to provide assurance to building owners and users that building work will be done right the first time, thereby ensuring that buildings are well-made, healthy, durable and safe.

## How to make a submission

The Ministry of Business, Innovation and Employment (MBIE) is seeking your feedback on:

- what role you think the government should have in providing assurance that buildings are healthy, durable and safe
- the desirable outcomes from the building consent system
- an initial assessment of the key issues that are barriers to achieving those outcomes.

When completing this submission form, please provide comments and reasons explaining your choices. Your feedback provides valuable information and informs decisions about the proposals.

You can submit this form by 5pm, Sunday 4 September 2022 by:

- Sending your submission as a Microsoft Word document to **building@mbie.govt.nz**
- Mailing your submission to:

Consultation: Review of the Building Consent system  
Building System Performance  
Building, Resources and Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473

Wellington 6140  
New Zealand

### Use of information

The information provided in submissions will be used to inform MBIE's policy development process, and will inform advice to Ministers on the review of the building consent system. We may contact submitters directly if we require clarification of any matters in submissions.

## How to make a submission

### Release of information

MBIE may upload PDF copies of submissions received to MBIE's website at [www.mbie.govt.nz](http://www.mbie.govt.nz). MBIE will consider you to have consented to uploading by making a submission, unless you clearly specify otherwise in your submission.

If your submission contains any information that is confidential or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to requests under the *Official Information Act 1982*. Please set out clearly in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. MBIE will take such objections into account and will consult with submitters when responding to requests under the *Official Information Act 1982*.

### Private information

The *Privacy Act 2020* establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information you supply to MBIE in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to this review. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that MBIE may publish.

### Submitter information

MBIE would appreciate if you would provide some information about yourself. If you choose to provide information in the “About you” section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

#### A. About you

Name: Nick Collins

Email address: nick@nashnz.org.nz

#### B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes  No

#### C. Are you making this submission on behalf of a business or organisation?

Yes  No

If yes, please tell us the title of your company/organisation.

National Association of Steel-Framed Housing  
Incorporated

#### D. The best way to describe your role is:

- Building Consent Authority  Industry organisation (please specify below)  
 Business  Individual  
 Other (please specify below)

Please specify here.

represent light steel framing sector

#### E. If you represent a Business the best way to describe it is:

- Designer/ Architect  Builder  
 Sub-contractor  Engineer  
 Developer  Other (please specify below)

## Submitter information

F. If you are an individual the best way to describe you is:

- |   |  |
|---|--|
| <input type="checkbox"/> Designer/ Architect      | <input type="checkbox"/> Builder                                 |
| <input type="checkbox"/> Sub-contractor           | <input type="checkbox"/> Engineer                                |
| <input type="checkbox"/> Building Consent Officer | <input type="checkbox"/> Developer                               |
| <input type="checkbox"/> Homeowner                | <input checked="" type="checkbox"/> Other (please specify below) |

member organisation

G. Privacy information

- The *Privacy Act 2020* applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions or a summary of submissions received to MBIE's website at [www.mbie.govt.nz](http://www.mbie.govt.nz). If you do **not** want your submission or a summary of your submission to be placed on our website, please tick the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

H. Confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential and **have stated** my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have ticked this box, please tell us what parts of your submission are to be kept confidential.

# Section 1: Introduction and strategic context

NASH congratulates MBIE on taking a strategic approach in reviewing the performance of the Building consent systems.

This is long overdue. Current performance of the consent process for our members is highly variable across the country and symptomatic of the gaps between national and local government with respect to the implementation of the Building Act across 67 local authorities. Delays and unnecessary requests for already provided information are costly in the time it takes to respond and delays to our clients projects.

### **Current building process focuses on the past or business as usual**

The Building Consent system for the residential sector focuses on timber / NZS3604 solutions. NASH Standard Part 2 2019 and NASH Building Envelope Solutions have, since 2019 been cited as Acceptable Solutions to the Building Code. Frequently our members are asked to respond to requests for information which are in the consent documentation and in the NASH Standards.

### **Information Gaps identified as a key problem**

While NASH acknowledges that we could have done a better job in providing learning resources for key stakeholders including Building Consent Authorities and designers. MBIE needs to acknowledge that the current system supports the status quo. NASH members have invested heavily in developing Standards (without any government funding), which MBIE insisted should be made freely available to the sector. Where then is the support from MBIE for those resources and learning programmes to enable learning / change to occur across the sector.

While the building consent process is intended to provide assurance that buildings are healthy, durable and safe. Without government commitment to ongoing learning programmes the uptake of the Standards material will be sub-optimal.

## Questions for the consultation

1. What do you think the primary focus of the building consent system should be?

## Section 1: Introduction and strategic context

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NZS 3604 will receive MBIE funding for standard updates and reviews, while any updates to NASH Standards must be borne by the Association.

While the building consent process is intended to provide assurance that buildings are healthy, durable and safe. Without government commitment to ongoing learning programmes the uptake of the Standards material will be sub-optimal.

### **Primary focus of Building Consent System**

NASH supports the statement that -

Building consent systems aim to provide assurance that buildings are healthy, durable and safe.

However NASH reminds MBIE that the fourth purpose of the Building Act is

- buildings are designed, constructed and able to be used in ways that promote sustainable development.

NASH suggests that the MBIE Building for Climate Change programme needs to give effect to this purpose by adopting circular economy principles rather than the current take, make waste approach to residential construction.



## Section 1: Introduction and strategic context

The role of government in the building process varies around the world:

- Some countries delegate specific roles to private third parties, such as the review of plans, conducting risk assessments of projects or carrying out inspections during construction.
- Australia allows private building surveyors to directly oversee building design and inspection.
- Nearly all countries surveyed by the World Bank Doing Business report allow private third-party inspections. However, the task of issuing the final permit (the equivalent of the code compliance certificate) remains largely the responsibility of local authorities.

**2. What role should government have in providing assurance that buildings are healthy, safe and durable?**

NASH acknowledges MBIE taking a "systems-wide" approach to reviewing the building consent process along with the approach of working with the sector to ensure that buildings are healthy, safe durable and sustainable.

Presumably MBIE has looked at international best practice (particularly examples where there are a small number of cities / regions where construction activity is concentrated, along with a long tail of smaller regions). What can we learn from others, adapt to New Zealand's specific circumstances utilising current and emerging future technologies.

NASH acknowledges the increasing openness of the Building Performance team, the willingness to engage with the sector and to work collaboratively to build better outcomes.

Keep it up - thanks

## Section 1: Introduction and strategic context

**3. Are there any building consent functions that could be delegated to or provided by another party?**

Yes

No

Not sure

If so, please explain your response.

Not sure that this is the right question.

If the purpose of the building consent system is to provide assurance that buildings are healthy, durable, safe and sustainable, then what is required to deliver this purpose across New Zealand, while providing a consistent, timely service.

Alternatively shouldn't you be asking:

Why must building consent functions correspond to territorial authority boundaries?

and

Why should all territorial authorities provide consenting for all buildings, particularly given that commercial buildings are technically more complex and have higher associated risks?

Surely with modern technology much of the consenting process could be delivered by a small number of centres of excellence where technical skills can be concentrated. A standard cloud based consenting system would ensure consistency across the country. This would also provide the basis of a national reporting system for the building sector.

## Section 2: Desirable outcomes

MBIE has identified four critical outcomes that the building consent system should primarily seek to achieve.

**Outcome 1: Efficiency.** The building consent system is efficient in providing assurance to building owners and users. It is risk-based, has proportionate compliance costs, and allows for innovation.

**Outcome 2: Roles and responsibilities.** Roles and responsibilities are clear and based on participants’ respective ability to identify and manage risks. All participants across the system have a good understanding of their own responsibilities and the extent they can rely on others for assurance.

**Outcome 3: Continuous improvement.** The system is responsive, flexible and agile, and seeks to continually improve through performance and system monitoring, good information flows and feedback loops.

**Outcome 4: Regulatory requirements and decisions.** Regulatory requirements are clear, and decisions are robust, predictable, transparent and broadly understood.

### Questions for the consultation

4. Do you agree these four critical outcomes are necessary to ensure the building consent system provides high levels of assurance to the public that buildings are healthy, safe and durable?

- Yes                       Somewhat                       No                       Not sure

Please explain your views.

Missing from the four desired outcomes is sufficient resourcing, both from a technology ( capital for establishing new or revised system ) and ongoing capability in terms of number and skill levels of all participants). Possibly a component of efficient.. but efficiency without resourcing may not deliver other desired outcomes.

5. Are there any other outcomes that are critical to ensure buildings are healthy, safe and durable?

- Yes                       No                       Not sure

Please explain your views.

## Section 2: Desirable outcomes

Ensuring we deliver to fourth purpose of the Act

*buildings are designed, constructed and able to be used in ways that promote sustainable development*

and

Its not just about carbon. New Zealand needs to transition from linear (take/make/waste) development model to a circular model. The MBIE / Construction Sector Accord Nov 21 *Broader outcomes guidance for the construction sector* provides examples of aligning deliverables against the Living Standards framework.

6. How well is the system currently performing against the four identified outcomes? Please explain your views.

	Poor	Fair	Good	Very Good	Excellent
Efficiency	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roles and responsibilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Continuous improvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulatory requirements and decisions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain your views.

NASH's member experience is not reflected in the MBIE 2021 March - September survey. The survey represents processing time by territorial authorities... rather than time from a customer / submitter experience - i.e. total time from submitting to granting consent.

Time taken to process building consents.

RFI's for information which is in the submitted consent.

High variability / interpretation across building consent authorities.

## Section 3: Issues with the current system

MBIE has identified five issues that are constraining the ability of the system to achieve the desirable outcomes expected of this system. In turn, this compromises the ability of the building consent system to provide assurance that building work will be ‘done right the first time’, thereby ensuring that buildings are well-made, healthy, durable and safe.

Many of these issues are complex and long-standing. While these issues are presented separately, they are intrinsically related and collectively affect the performance of the overall system.

We welcome your feedback on these issues and other any other issues. In particular, what is the cause of these issues, what are their impacts, how could a better consent system address these, and what would that system look like?

### Issue 1: Roles, responsibilities and accountability

Roles and responsibilities across the system are not always well understood, accepted, applied or consistently enforced. There is sometimes an over-reliance on building consent authorities to provide assurance of compliance with the Building Code.

### Questions for the consultation

7. How well understood are roles and responsibilities across the sector?

Very poorly understood	Somewhat understood	Understood	Well understood	Very well understood
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain your views.

If MBIE and Consent Authorities perceive there is *an over-reliance on building consent authorities to provide assurance of compliance with the Building Code*.

What constructive steps have they taken to address this? For example where is the detailed analysis of where problems lie and the actions taken to address these problems.

Is this an issue of the Designers and builders not understanding their responsibilities? As they will be LBPs, does the Licensing regime need to be reviewed?

8. Does the building consent system allocate responsibility appropriately to those best able to identify and manage the associated risks?

## Section 3: Issues with the current system

### Issue 1: Roles, responsibilities and accountabilities

Yes                       Somewhat                       No                       Not sure

Please explain your views.

**9.** Does the building consent system provide sufficient incentives for each party to meet their responsibilities and 'get it right the first time'?

Yes                       Somewhat                       No                       Not sure

Please explain your views.

No, there is the reliance by the submitter to expect the building consent staff to identify short comings.

**10.** Should other parts of the sector (outside of building consent authorities) have a greater role in providing assurance that buildings are safe, durable and healthy? If yes, what would the risks and mitigations be?

Yes                       No                       Not sure

Please explain your views.

If yes, what would the risks and mitigations be?

**11.** Are some parts of the sector more prepared than others to take on more of the responsibility for providing assurance?

Yes                       No                       Not sure

Please explain your views.

## Section 3: Issues with the current system

### Issue 1: Roles, responsibilities and accountabilities

Yes, PS1 provided by engineers for their designs.

**Section 3: Issues with the current system**

**Issue 2: Capacity and capability**

# Section 3: Issues with the current system

## Issue 2: Capacity and capability

Building consent authorities face capacity and capability constraints in dealing with an increased volume and complexity of building work. Sector workforce capacity and capability constraints can also undermine the performance of the system.

### Questions for the consultation

**12.**How significant are building consent authority capacity and capability constraints on the performance of the system?

Not significant at all	Somewhat significant	Significant	Quite Significant	Very significant
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please explain your views.

Somewhat significant and variable across building consent authorities.

What are the most significant impacts of building consent authority capability and capacity constraints on the performance of the building consent system? Please explain your views?

Adopting a philosophy that we are all in this together and how to best to work collaboratively (at consent authority level ) to resolve the issues.

Setting clear expectations of standards required and rewarding good performance accordingly.

Commitment to on-going training.

**13.** How significant are sector workforce capacity and capability constraints on the performance of the system?

Not significant at all	Somewhat significant	Significant	Quite Significant	Very significant
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Please explain your views.



## Section 3: Issues with the current system

### Issue 2: Capacity and capability

The system is under pressure and as a result BCA's, or their third party suppliers have developed a habit / process of firing off requests... rather than looking at submitted documents for details.

What are the most significant impacts of sector workforce capability and capacity constraints on the performance of the building consent system? Please explain your views.

The design engineering fraternity lack skilled practitioners. In residential, which has for last 12 months been struggling with shortage / cost of traditional framing materials there is low level of knowledge in alternative framing solutions.

What is the resourcing solution to build knowledge / skills in alternative framing solutions which potentially deliver better seismic and durability performance than traditional materials?

**14.** How could the impacts of capacity and capability constraints be mitigated?

Centralising consenting processes and utilise technologies to scan for completeness and compliance. Along with creating centres of excellence focusing on complex / high risk buildings.

**15.** Are there any barriers to a more efficient use of technical expertise across the system?

Yes

No

Not sure

Please tell us what these barriers might be.

Historical expectation that every territorial authority should issue its own building consents.

## Section 3: Issues with the current system

### Issue 3: System agility

## Section 3: Issues with the current system

### Issue 3: System agility

All consents go through the same basic process, which is not always responsive to the level of risk, complexity of the building work, or type of project. The current system does not always deal well with new or innovative practices or products or the design-and-build approach. Nor is it sufficiently responsive to the building needs and aspirations of Māori.

### Questions for the consultation

**16.** Do you agree that the consent system is not sufficiently agile for the way in which we design, procure and build today and in the future?

Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please explain your views.

Strongly agree. The system ties the sector to the past, prioritises historical solutions/ knowledge and fails to incentivise alternative systems which are more productive and resilient to natural events.

If you agree, how does rigidity in the building consent system impact consenting outcomes and productivity in the building sector?

Yes, because it prioritises historical solutions rather than incentivising better performing solutions.

**17.** What changes would you suggest to the building consent system to make it more agile?

Proposing changes suggests that we know best and we only have a single sector perspective.

Hence we are supporting MBIE's systemic approach to building a better system.

## Section 3: Issues with the current system

### Issue 3: System agility

**18.** Does the current building consent process constrain or limit the use of traditional Māori methods of construction?

Yes

Somewhat

No

Not sure

Please explain your views.

In the same manner in which it controls / limits anything other than business as usual.

**19.** Does the current building consent process add constraints to the development of Māori-owned land that other landowners don't face?

Yes

Somewhat

No

Not sure

Please explain your views.

**20.** What Māori perspective or set of values do building consent authorities need to take into account when considering and processing consent applications for iwi/hapū/Māori-led building and construction projects?

## Section 3: Issues with the current system

### Issue 4: Performance monitoring and system oversight

## Section 3: Issues with the current system

### Issue 4: Performance monitoring and system oversight

The performance of the system is insufficiently monitored, and information flows are poor. MBIE is not yet the strong central regulator that was contemplated in the original system design.

#### Questions for the consultation

**21.** What can be done to improve monitoring of the building consent system?

Surely if the entire building consent process across New Zealand is digitised then we would have a wealth of information and not just on how long it takes to process a building consent. Digitising the process becomes one of the building blocks for Construction 4.0 - the process by which construction follows manufacturing with Industry 4.0.

Digitising the process would enable the sector to have a wealth of information about building systems and performance, potentially delivering vastly improved risk management.

One assumes that BCA's have quality management systems to monitor current performance of their consent process?

**22.** What information or data relating to the consenting system performance would you find useful?

Time to consent, time to build, performance over time and ultimately at end of life the data set of what can be reused, what can be recycled and what needs to go to landfill. Ongoing analysis of RFI numbers and scope would enable analysis of information shortfalls.

**23.** Are you aware of any barriers to collecting and sharing information across the sector?

Yes

No

Not sure

Please explain your views.

If the result is better sector wide data for all stakeholders to utilise when making design, construction and operational decisions (over life of the building) then New Zealand Inc will be substantially better off.

## Section 3: Issues with the current system

### Issue 4: Performance monitoring and system oversight

**24.** Are you aware of additional data and information sources that we could be using to inform our understanding of the system performance?

Yes

No

Please explain your views.

Refer answer to question 2. Where is International best practice and how can we learn from it.

**25.** Is there anything else MBIE could do to better meet its system oversight and stewardship responsibilities?

Formalise the integration of recent changes to the Building Act. E.g. Product Information, Modular construction will both impact on the BCA's. Will there be a standardised format for all councils?

## Section 3: Issues with the current system

### Issue 5: Fragmented implementation

The processing of building consent applications is devolved to territorial authorities who are building consent authorities, which has led to variability and unpredictability in the consent process and its outcomes. This fragmentation adds to the overall costs of the system due to duplication and variable processes, tools and functions being implemented across building consent authorities, and difficulties maintaining a professional workforce.

#### Questions for the consultation

**26.** Building consent processing is devolved and carried out by individual territorial authorities under the current system. How does this structure affect the consenting performance and building outcomes?

As noted above

*has led to variability and unpredictability in the consent process and its outcomes. This fragmentation adds to the overall costs of the system due to duplication and variable processes, tools and functions being implemented across building consent authorities, and difficulties maintaining a professional workforce.*

and

This leads to added stress across the system.. for the applicant, the engineer, architect and builder... even for Member Organisations such as ours who are expected to resolve our members problems.

**27.** What aspects of the current consenting system structure work well?

Reinforces business as usual, design solutions which people are familiar with/ have done for years/decades.

**28.** What aspects of the current consenting system structure do not work well?

Current system doesn't work well under high volumes. It doesn't work well with design solutions that differ from traditional solutions.

**29.** How does the current devolved consenting system structure impact consent applicants and building owners?

## General questions

refer answer to question 26

**30.** What improvements or changes are required to the current consenting system structure to reduce fragmentation in implementation and deliver better consenting outcomes?

Centralised, digitised, with centres of excellence based on volumes and specialised structures (based on volumes and complexity/risk)

**31.** Is there any duplication or overlap between the building consent and resource consent processes, or any other legislation?

Yes

No

Not sure

Please explain your views, including any impacts.

**32.** How could the relationship between the building consent and resource management systems be improved?

## General questions

### 33. Do you have any other comments?

The National Association of Steel Framed Housing membership includes steel manufacturers / importers, manufacturers of roll forming machinery, fabricators of steel framing, design professionals and building trades.

New Zealand has five manufacturers of light steel framing machinery equipment and the majority of equipment / solutions sales are export. Traditional residential framing systems are rapidly being replaced by cold formed steel framing which is uniformly lighter, stronger and of more consistent quality than natural framing materials. Steel is dimensionally stable, isotropic, uniform, non-combustible and resistant to mould and termites.

Steel is infinitely recyclable and cold formed steel framing systems are designed/fabricated around circular economy principles - optimised use of material and enabling repurposing over a building's life time and easily deconstructed for re-use or recycling at end of building life.

[NASH members share a common view that local manufacturing is critical to Aotearoa New Zealand's economic success providing innovative, competitive solutions while delivering resilience in our supply chains.](#)

The post COVID market recovery, characterised by reversals in globalisation, significant disruption of international supply chains and rapid escalation in freight costs, we see our major trading partners prioritising local manufacturing and national resilience. Other countries are rapidly pivoting in response to the fundamental and longer-term economic shifts driven by climate change and developments in the international context to protect existing employment, create new jobs, and ensure future economic growth. Intervention such as the EU's Border Adjustment Mechanisms are being used to ensure environmental bottom lines are protected and to more generally 'build back better'.

New Zealand's transition to a low-emissions circular economy will require a strong local manufacturing sector, not only to make and implement climate mitigation technologies, but also to ensure that circularity can occur with the lowest carbon footprints, while minimalizing solid waste to landfill.