

Property Council New Zealand

Submission to MBIE on removing barriers to using overseas building products

27 June 2024

For more information and further queries, please contact

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Submission to MBIE on removing barriers to using overseas building products.

1. Summary

1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to provide feedback on the Ministry for Business Innovation and Employment (“MBIE’s”) consultation: removing barriers to using overseas building products.

2. Recommendations

2.1. At a high level, we make the following recommendations to MBIE:

- Take a holistic approach in assessing which overseas standards to recognise from overseas product organisations and standards certifications schemes;
- Clarify that MBIE will be verifying the appropriateness of the overseas standards;
- Consult with a technical interest group who have the appropriate expertise to verify overseas standards as and when required;
- Develop translation documents to ensure equivalency of overseas standards and help resolve the complexity of reconciling different standards;
- MBIE closely watch the system rollout to ensure that unintended consequences of Building Consenting Authorities unnecessarily upgrading product requirements does not occur; and
- If Building Consent Authorities are to be indemnified, then the responsibility and risk flows need to be explicitly explained by MBIE.

3. Introduction

3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.

3.2. The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment. We aim to enable opportunities to build sustainable and resilient communities, capable of meeting future needs.

3.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$1.6 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$41.2 billion (15 per cent) and employment for around 200,000 New Zealanders every year.

3.4. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of over 550 members organisations across the private, public and charitable sectors.

3.5. This document provides Property Council’s feedback on [MBIE’s consultation: removing barriers to using overseas building products](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

4. Making it easier to use building products that meet overseas standards

- 4.1. Property Council strongly supports the proposal to accept more overseas standards from overseas standards organisations and standards certification schemes. We believe the proposed changes will enhance competition and innovation, while reducing red tape.
- 4.2. Property Council believes that the suggested factors in developing criteria to support Ministerial decision-making is broad and will be applicable in most situations. In saying that, there are other factors that MBIE should take into further consideration, and these are outlined below.

Applicability in a New Zealand context

- 4.3. Assessing which overseas standards to recognise from overseas product organisations and standards certifications schemes is complex and multifaceted and it is important to ensure that overseas standards are transferable in a New Zealand context. We also recommend that a holistic view be adopted when making these assessments.
- 4.4. For example, an interior partition system may need to be tested for structural actions (permanent, imposed, wind, earthquake), fire performance, acoustic performance, impact resistance, and moisture resistance. To enable an overseas partition system to be used in New Zealand, these local standards under one or multiple standard organisations need to be recognized, comparable, and transferable.
- 4.5. New Zealand's specific characteristics need to be considered when assessing overseas standard organisations and schemes. For example, New Zealand's seismic challenges and high UV exposure means that overseas standards organisations will need to have comparable base data and assumptions to enable the products that are tested against them to be suitable for our environment and conditions.
- 4.6. In addition to this, New Zealand's location and market size should be taken into consideration. Products designed, manufactured and managed in countries such as the United Kingdom will carry substantial costs to supply into the New Zealand market. Unless a reasonable market share can be achieved, then supply may not be feasible.

Verification of overseas standards organisations and schemes

- 4.7. It is unclear from the consultation document, who will be verifying the appropriateness of the overseas standards, and we seek clarification on this. There must be appropriate checks and balances implemented to ensure that the overseas standards comply with the Building Code. Due to the complexity of the regime, we would not support Building Consent Authorities verifying overseas standards. Instead, we recommend that that MBIE verify the appropriateness of the overseas standards and establish a technical interest group to review the initial standards and certifications being considered, the systems, the impacts, the processes required, and any challenges that arise.
- 4.8. Furthermore, consideration should be given to the training and familiarization that will be required across the industry. Those specifying products should be enabled to reasonably access and understand the standards, without cost or language being an undue barrier. There also needs to be a transitional period for knowledge growth to occur, risk exists in accelerating this process and not enabling the industry to adjust appropriately.

5. Streamlining the citing of international standards

- 5.1. MBIE intends to focus on identifying equivalent standards for building product specifications. Our members have told us the challenges faced when evaluating international standards for building product specifications.
- 5.2. For example, New Zealand has different wind gust calculations for external windows and doors and higher water performance requirements than other jurisdictions. This not only begs the question as to why, but also adds complexity from an equivalent standard point of view.
- 5.3. There would also need to be clarity on a proposed method for acceptance of systems that are made up of several components. One example is fire doors, where there is already a challenge with limited evidence for performance of door systems that are currently supplied in New Zealand with the numerous types of hardware that might also be installed. Another example is fire stopping installations, where the composition of plasterboard used in overseas testing has different material properties to the plasterboard used in New Zealand.
- 5.4. In order to streamline international standards, we recommend MBIE develop translation documents to ensure equivalency and help resolve the complexity of reconciling different standards. Such documents would explain how a product achieving a classification under one standard would be considered into the New Zealand standard and context. There are examples of this in acceptable solutions already.

6. Mandating acceptance of products certified overseas

Inconsistencies between Building Consent Authorities

- 6.1. MBIE's review into removing barriers to overseas products has been in part, to help reduce the inconsistencies between Building Consent Authorities in accepting and approving building products. Currently Building Consent Authorities are inconsistent in the application of their roles and how they assess the appropriateness of building consent information. Consistency needs to be achieved across these Building Consent Authorities to prevent greater product options resulting in greater inconsistency and longer, more expensive Building consent processes.

Wary of unintended consequences – higher standards than New Zealand could be sought by BCAs

- 6.2. Despite Property Council's support of mandating acceptance of products certified overseas, we must be wary of unintended consequences that may arise. For example, fire stopping systems or junctions that have been tested to suit overseas markets, where the overall fire performance requirement may be higher than in New Zealand. This could have the unintended consequence of Building Consent Authorities imposing additional requirements on the surrounding construction to meet a tested installation. We hope that clear guidelines will ensure that such unintended consequences do not occur.

7. Other comments

- 7.1. Risk and liability underpin these proposals but is not discussed in the consultation document. Our members are concerned that Building Consent Authorities may not accept new building products that have not been tried and tested in New Zealand. If Building Consent Authorities are to be indemnified, then the responsibility and risk flows need to be explicitly explained. We

therefore recommend that MBIE outline explicitly, how risk and liability will interplay if these proposals are implemented.

8. Conclusion

- 8.1. While Property Council welcomes the proposed changes to the Building Act, we note that there may be practical complexities with the proposals as they currently stand. Our members are eager to keep engaged with MBIE as this consultation progresses.
- 8.2. Property Council members invest, own and develop property across New Zealand. We thank the MBIE for the opportunity to submit on this consultation.
- 8.3. Should you wish to discuss further, please contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email sandamali@propertynz.co.nz or cell 0210459871.

Yours Sincerely,



Leonie Freeman

CEO Property Council New Zealand