

## Property Council New Zealand

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### **Submission on the Building (Overseas Building Products, Standards, and Certifications Schemes) Amendment Bill**

13 November 2024

<b>For more information and further queries, please contact</b>
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**Submission on the Building (Overseas Building Products, Standards, and Certifications Schemes) Amendment Bill.**

**1. Summary**

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to provide feedback on the Building (Overseas Building Products, Standards, and Certifications Schemes) Amendment Bill.
- 1.2. Property Council is supportive of the Bill and has no recommended amendments.

**2. Introduction**

- 2.1. 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”.
- 2.2. 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.
- 2.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$2.2 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$50.2 billion (15 percent) and employment for around 235,030 New Zealanders every year.
- 2.4. 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.
- 2.5. This document provides Property Council’s feedback on the [Building \(Overseas Building Products, Standards, and Certifications Schemes\) Amendment Bill \(“the Bill”\)](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

**3. State of the Industry**

- 3.1. For decades, New Zealand’s property industry has faced a number of challenges. From skill shortages, demand for housing and supportive infrastructure, a slow and overcomplicated resource management system, environmental (resilience and mitigation) challenges, and seismic strengthening.
- 3.2. These challenges all have financial constraints, many of which are evident through; increased insurance fees, local government rates, taxes (commercial and industrial depreciation), and exponential increases to development contribution fees. Simultaneously, building products, building methods and labour costs have also increased.
- 3.3. The industry is calling for changes that can improve wait times, increase competition and reduce costs.

- 3.4. Property Council has long called for a consistent approach to managing building products and methods such as establishing a National Products Register to create certainty as to what products and methods will be accepted by building consenting authorities across New Zealand.
- 3.5. The Bill seeks to recognise overseas standards and standard certification schemes, which in turn will increase certainty and competition, reduce wait times, and unlock innovation. We strongly support the Bill.

#### **4. Recognition of overseas standards and standard certification schemes**

- 4.1. Property Council strongly supports the Government's policy intention to accept more overseas standards from overseas standards organisations and standards certification schemes.
- 4.2. The Regulatory Impact Statement noted that the approval of an Australian Scheme (WaterMark) would immediately provide Kiwis with access to 200,000 products.<sup>1</sup> We also believe the proposed changes, will enhance competition and innovation, while reducing red tape.

##### *Criteria to support Ministerial decision making*

- 4.3. As set out in Clause 13 of the Bill, the Minister for Building and Construction ("the Minister") may recognise standards or groups of standards issued by an overseas standards organisations or standards certification schemes issued by a standards certification organisation only if they are satisfied that they meet the criteria prescribed by the regulations.
- 4.4. In MBIE's pre-engagement with industry, it sought feedback on which factors should be included in the decision making when recognising overseas building product organisations.
- 4.5. Property Council supported MBIE's suggested factors and made some further recommendations, which included ensuring that overseas products and schemes would be applicable/transferrable in a New Zealand context. We look forward to seeing the outcome of this work.

#### **5. Building Product Specification**

- 5.1. Currently, there is no consistent approach to approving building products or methods in New Zealand. Consequently, time delays and cost inefficiencies occur across the sector.
- 5.2. Property Council supports the creation of the building product specification as it will streamline the citing of international standards that can be used with acceptable solutions and verification methods issued by MBIE to comply with the building code.
- 5.3. We anticipate the Building Product Certification to act like a National Product Register which creates certainty as to what products and methods will be accepted by building consenting authorities in New Zealand. It will also help reduce issues of risk and liability, streamline the consenting process and unlock innovation.

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<sup>1</sup> <https://www.treasury.govt.nz/sites/default/files/2024-06/ris-mbie-maobp-mar24.pdf>

## **6. Mandating acceptance of products certified overseas**

- 6.1. We strongly support the Bill ensuring that building consenting authorities will not be liable for reliance in good faith on recognised certifications. This will help reduce the risk and liability aspect that underpins the current structure and results in an overzealous and slow system.

## **7. Inconsistencies between Building Consent Authorities**

- 7.1. The Government'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.
- 7.2. 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.

### *Proposed options to improve the building consent system*

- 7.3. Property Council is pleased to see that the Government is investigating ways to improve the building consent system to, in part, resolve these inconsistencies. We will be having ongoing discussions about the Government's proposed options with our Building System Taskforce, a group made of 24 member organisations across the property sector who help shape our position in the building system space. We will also be providing our members' feedback to MBIE prior to public consultation next year.

## **8. Conclusion**

- 8.1. Property Council welcomes the proposed changes to the Building Act, as well as the Government's other reform work in the building system space. We will continue to engage with MBIE on these matters.
- 8.2. Property Council members invest, own and develop property across New Zealand. We thank the Transport and Infrastructure Committee for the opportunity to submit on the Fast-track Approvals Bill and **wish to appear to speak before the Transport and Infrastructure Committee.**
- 8.3. Should you wish to discuss further, please contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email [sandamali@propertynz.co.nz](mailto:sandamali@propertynz.co.nz) or cell 0210459871.

Yours Sincerely,



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