

Submission by

Hamilton City Council Staff

BUILDING (BUILDING PRODUCTS AND METHODS, MODULAR COMPONENTS, AND OTHER MATTERS) AMENDMENT BILL

10 July 2020

It should be noted that the following submission is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

1.0 INTRODUCTION

- 1.1 Hamilton City Council (HCC) staff welcome the opportunity to make a submission to the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Bill (the Bill).
- 1.2 The Bill proposes extensive changes to product certification and modular construction, as well as the way Building Control Authorities (BCAs) deal with these. We note that this is still voluntary and therefore there will be thousands of products and modular designs that may still flood into the building industry, that have little or no certification, and worse still, overseas imported products, where there is little knowledge or certification that the BCAs can rely on.
- 1.3 Cost is often a barrier to getting a product certified and therefore only the large product or modular suppliers are likely to use these options. The smaller product supplier that has imported product and sells “out of a shipping container” will not undertake certification, and as these products can often look like a genuine certified alternative, it is often hard for the BCA building inspector to tell the difference on-site, and potential failure/litigation is possible. There has been a lot of evidence that product substitution is rife in the industry, which normally occurs once the building consent has already been granted.

2.0 MINIMUM REQUIREMENTS FOR INFORMATION ON BUILDING PRODUCTS

- 2.1 HCC staff support the Bill’s proposals to strengthen product certification, including the 12-month audits for these.
- 2.2 **Recommendations:** That the Environment Committee insert the following provisions in the Bill requiring that product information includes:
 - a. Information on how the product complies with the New Zealand Building Code.
 - b. A gap analysis which shows the technical information that a product and its components need in order to comply with an acceptable standard under the New Zealand Building Code.
 - c. Information on climate and sustainability.
 - d. Application of the product to the respective construction maintenance schedules.
- 2.3 HCC staff would also like to see some positive encouragement by Government, for product and modular design suppliers to get their product certified by either financial incentives to reduce the costs of these, or other incentives to encourage the use of these mechanisms.

3.0 CREATION OF A SPECIALIST FRAMEWORK FOR MODULAR COMPONENTS

3.1 HCC staff support the proposals in relation to modular design but note that the detail in the Bill does not place any limits on the types of design to be submitted. Whether this will be detailed within Regulations is unclear in the Bill's Explanatory Note.

3.2 In addition, it is assumed that this will also apply to modular systems imported from overseas if they have been constructed to overseas standards (or no standards at all) and the regime will ensure that the modular component will be robustly assessed to ensure that they will comply with the New Zealand Building Code.

3.3 **Recommendations:** That the Environment Committee insert provisions in the Bill requiring that the modular component framework includes:

- a. A building consent be issued in 20 working days if all of the following are met:
 1. The module is for a whole building module and not a part of a building;
 2. The land is flat; (Land Category no greater than TC1);
 3. The documentation clearly identifies the Code requirements;
 4. The module is built to the right specifications for the site wind loads, snow and corrosion zones;
 5. All services are already provided to the site; Surveyors siting, FFL and HIR;
 6. Geotech/Engineers report if existing subdivided properties;
 7. Acoustics reports (if required), and;
- b. Requires all modular components to be listed in the building consent application;
- c. Includes certified 'systems' for connecting certified modular components together;
- d. Requires that MCMs be inspected monthly for the first 12 months to ensure consistently high standards and that controls are firmly in place. Once assured of consistent product quality, an annual audit should be sufficient;
- e. Specifies the entire build, which parts are certified, and a gap analysis of what parts are not certified;
- f. That the courts understand that the intent of the legislation is that MCMs hold the liability for their registered modular component and connection systems.

3.4 **Comment:** 20 days should be maintained. There appears to be no valid reason to shorten this to 10 and indeed the fallback to 20-day default where issues may arise.

3.5 The consent may still be completed in 10 days. However, capping it at 10 days may imply more pressure when councils have processing issues.

3.6 More often than not, relocatable modular homes are moved to existing lots and may require site specific geotechnical investigations and possibly foundation considerations as a result.

3.7 HCC staff are of the view that "flat land" is too expansive and that a more definitive control description would be land not exceeding TC1 category.

3.8 It would be necessary for the manufacturer to have an understanding of the location site to allow for variations to modular construction to mitigate acoustic requirements, for example.

3.9 **Passive Building**

3.10 An incentive may be applied by way of a reduction of BRANZ or DBH levies where passive modular buildings are constructed that provide an inducement to manufacturers who construct passive buildings.

4.0 AUDIT OF PRODUCT AND MODULAR CERTIFIERS

4.1 HCC staff support the registration and audit of the product and modular certifiers through MBIE as this will provide consistency and accountability in the authorities that recommend certification through robust quality assurance systems.

- 4.2 Too many times in the past, different certifying authorities appear to have applied patchy and inconsistent criteria, when assessing products, which has led to BCAs making different decisions for their use, under building consents. This adds to the inconsistent label that is given to BCAs. The proposals will give BCAs greater clarity to make the right decisions consistently throughout New Zealand.
- 4.3 **Regulations**
- 4.4 HCC staff support the new regulation-making powers, and request that they cover such areas but not limited to:
- A statement that the product or modular design complies with the New Zealand Building Code as an acceptable or alternative solution.
 - An outline Code clause by Code clause of how compliance will be met and a clear scope including limitations of the product or modular design e.g. wind zone or corrosion zones.
 - Specialist requirements such as fully trained or accredited installers.
- 4.5 We support the changes to the penalties for the range of offences that are outlined in the Bill.

5.0 FURTHER INFORMATION AND HEARING

- 5.1 Should the Environment Committee require clarification of the above points, or additional information, please contact Alister Arcus (Principal Building Review Officer) on 07 838 6681 or email alister.arcus@hcc.govt.nz in the first instance.
- 5.2 Hamilton City Council staff **do not wish to speak** at the Environment Committee's hearing in support of this submission.

Yours faithfully



Lance Vervoort
ACTING CHIEF EXECUTIVE