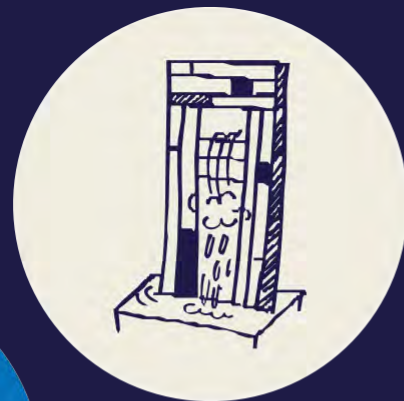


# HAMILTON CITY COUNCIL STAFF SUBMISSION

**Building Performance - Proposal for Modular  
Component Manufacturer (MCM) Scheme Rules  
2022 (9 June 2022 Consultation Document)**  
Ministry of Business, Innovation and Employment



12 July 2022



**Hamilton  
City Council**  
Te kaunihera o Kirikiriroa

# Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this submission is aligned to the priority '**A city where our people thrive**'.

## Council Approval and Reference

This submission was approved by Hamilton City Council's Chief Executive on 12 July 2022.

Hamilton City Council Reference D-4286863 - Submission # 695.

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.

## Introduction

1. Hamilton City Council staff would like to thank the Ministry of Business, Innovation and Employment for the opportunity to make a submission to the **Proposal for Modular Component Manufacturer (MCM) Scheme Rules 2022 (9 June 2022 Consultation Document)**.
2. The response/feedback from Hamilton City Council staff is outlined in the Ministry of Business, Innovation and Employment's official submission form - copy attached.

## Further Information and Opportunity to Discuss Our Submission

3. Should the Ministry of Business, Innovation and Employment require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Alister Arcus** (Principal Building Advisor - City Growth) on 07 838 6881 or email [alister.arcus@hcc.govt.nz](mailto:alister.arcus@hcc.govt.nz) in the first instance.
4. **Hamilton City Council staff would welcome the opportunity to discuss the content of this submission in more detail with the Ministry of Business, Innovation and Employment.**

Yours faithfully



**Lance Vervoort**  
**CHIEF EXECUTIVE**

Hamilton City Council  
Garden Place, Private Bag 3010, Hamilton

 /HamiltonCityCouncil

 @hamiltoncitycouncil

 07 838 6699

**hamilton.govt.nz**

# Proposal for MCM scheme rules

## CONSULTATION SUBMISSION FORM

Proposed rules for the Modular Component  
Manufacturer Scheme

9 JUNE 2022



## How to submit this form

This submission form can be used to provide your feedback on the Ministry of Business, Innovation and Employment's (MBIE's) consultation on proposed rules for the MCM scheme for modular component manufacturer.

Please send us your completed form by **5pm on 7 July 2022**.

When completing this submission form, please provide comments and reasons explaining your choices. Your submission may respond to any, or all of the proposed rules. Where possible, please include evidence to support your views – for example, references to independent research, facts and figures, or relevant examples.

Your feedback provides valuable information and informs decisions about the proposed scheme rules. We appreciate your time and effort in responding.

- You can provide your feedback by completing a survey online via [www.mbie.govt.nz/have-your-say](http://www.mbie.govt.nz/have-your-say) or
- You can download a form at [www.mbie.govt.nz/have-your-say](http://www.mbie.govt.nz/have-your-say) and either:
  - email the completed form to:  
[building@mbie.govt.nz](mailto:building@mbie.govt.nz) with the subject line '**MCM consultation 2022**', or
  - post it to:  
**MCM consultation 2022**  
Building System Performance  
Building Resources and Markets  
Ministry of Business, Innovation and Employment  
PO Box 1473, Wellington 6140  
New Zealand

If you have any questions about the submissions process, please email us at [building@mbie.govt.nz](mailto:building@mbie.govt.nz)

## Use and release of information

The information provided in submissions will contribute to MBIE's development of the MCM scheme rules. We may contact submitters directly if we require clarification of any matters in submissions.

Your submission will also become official information, which means it may be requested under the Official Information Act 1982 (OIA). The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it. If we receive a request, we cannot guarantee that feedback you provide us will not be made public. Any decision to withhold information requested under the OIA is reviewable by the Ombudsman.

Please set out clearly in the cover letter or email 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 and reasons for withholding this information. MBIE will take such objections into account and consult with submitters when responding to requests under the OIA.

## Private information

The Privacy Act 1993 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 the MCM scheme rules. Please clearly indicate in the cover letter or email 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 in the section below. If you choose to do so, this information will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

### Your name, email address, phone number and organisation

Name: Alister Arcus

Organisation: Hamilton City Council

Email address: alister.arcus@hcc.govt.nz

Phone number: 022 177 5023

- 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]*

### Please check if your submission contains 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.

[insert response here]

## Questions

### Part 1: Preliminary provisions

Part 1 of the scheme rules sets out preliminary provisions, including relevant definitions.

1. Do you have any comments on the definitions in Part 1: Preliminary provisions?

We have no comments on this section.

### Part 2: Accreditation body requirements

Rules for the MCM accreditation body include a requirement to notify MBIE of any proposed limitations to a certification body's scope of accreditation; to conduct an audit on an accredited certification body if requested by MBIE (outside its usual surveillance cycle); and to provide MBIE with reports regarding its assessments, audits and investigations of certification bodies.

Rules have also been proposed to provide operational detail on how the accreditation body should review a certification body's policies, procedures and systems when undertaking a surveillance audit of a certification body.

2. Do you think the notification requirements will provide MBIE with appropriate oversight over the performance of accredited certification bodies? If not, what changes do you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

No, we don't believe this approach provides the level of reporting required to ensure the level of oversight in a changing construction environment.

3. Are the surveillance audit requirements sufficient to ensure a certification body has correctly implemented the policies, procedures and systems required for the scheme? If not, what changes do you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

No, we believe a level of sampling is required to verify the application of policies, procedures, and systems.

4. Do you have any other comments on the rules in this Part?



There will need to be an appropriate audit regime. Also, how will individual competencies be assessed? Will there be a qualification minimum to achieve, and will it be an ongoing continual profession development regime once a baseline of experience has been agreed on? What happens when these individuals leave?

## Parts 3 and 4: MCM certification body requirements

Part 3 of the scheme rules contains proposed rules for MCM certification bodies including some of the operational detail needed to support the Building Act and the Regulations.

Part 4 covers the ongoing, detailed requirements that a certification body must continue to meet and maintain once accredited.

### General requirements

5. Are the specified technical competencies clear and workable? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

We have no comments on this section.

6. Do you think the notification rules related to registration requirements provide MBIE with sufficient oversight over certification bodies?

Yes, I agree

No, I disagree

Not sure/no preference

No, we believe the time-lapse in notification is too long, particularly given the lead in time already provided by MBIE for such changes.

7. Do you have any other comments on the rules in the general requirements section?

We have no comments on this section.

### Evaluation

#### Pre-evaluation and risk assessments

8. Are the definitions of modular component type, sub-type, risk likelihood, and consequence (in Table 1) appropriate for use in the risk assessment? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

No, we don't believe the risk framework rating scores reflect the defects often found through Council inspections - a litigation that Councils continue to be exposed to.

9. Are there any other factors you think we should add to Table 1 or any you do not think should be there?

We would also like to see electrical system subtypes put into the major impact (3) consequences as a failure in this could have major impacts on people due to life safety (electrocution) or fire (electrical failure).

Subtype – Fire Safety should also be broken down to identify passive versus active systems to clarify if fire rated walls/panels fall under panels or Fire Safety.

### Preparing the evaluation plan

10. Do you agree with the proposed rule for developing an evaluation methodology?

Yes, I agree

No, I disagree

Not sure/no preference

We have no additions to this section.

11. Is there anything you would change to this wording?

We don't believe the condition of Cost should be included in the rules - this could have the effect of driving negative behaviours to achieve an outcome.

### Evaluating the modular component manufacturer

12. Are the requirements for quality plans and quality management systems thorough enough? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

We have no comments on this section.

13. Do you have any other comments on the rules in this section?

Given the verbiage of the system and product, we don't believe it's appropriate to incorporate a remote assessment option. This could be incorporated in a future review and/or enhancement of the system.

### Nonconformities identified during evaluation

14. Are the three levels of nonconformity, required actions and timeframes for correction appropriate for evaluative purposes? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

We weren't able to establish what the timeframes were at each level, so are unable to comment. However, we would also like to see the inclusion of assessment of product produced during the non-conformance and public notification to ensure users/owners are aware performance may be affected.

### Conducting site audits

15. Is the rule relating to remote site visits clear and workable? If not, what do you suggest?

- Yes, I do  No, I do not  Not sure/no preference

We don't believe the use of remote site visits are appropriate given the nature and importance of the scheme.

16. Is the rule relating to installation audits clear and workable? Do you have any suggested changes?

- Yes, I agree  No, I disagree  Not sure/no preference

We have no comments on this section.

### Evaluation report, review and certification decision

17. Do you have any other comments on the rules relating to evaluation?

We have no comments on this section.

### Audits, surveillance and inspections

18. Do you think the required actions and timeframes for CARs are robust enough?

- Yes, I agree  No, I disagree  Not sure/no preference

We support the CAR approach, including the three levels. However, we believe all CARs should be completed and closed within 3-6 months. Should a CAR not be closed within the agreed timeframe, the CAR should be escalated to the next level.

19. Do you have any other comments on the rules in this section?

Is there an avenue for spot audits or investigations due to complaints by industry or users?

## Part 5: Modular component manufacturer certification requirements

The proposed rules for modular component manufacturers are designed so a manufacturer can demonstrate its ability to consistently manufacture modular components that will meet customer requirements and regulatory obligations.

20. Are the requirements for quality plans and quality management systems thorough enough? If not, what changes would you suggest?

- Yes, I agree                       No, I disagree                       Not sure/no preference

We have no comments on this section.

21. Are the specified technical competencies required for a manufacturer clear and workable? If not, what changes would you suggest?

- Yes, I agree                       No, I disagree                       Not sure/no preference

How will individual competencies be assessed? Will there be a qualification minimum to achieve, and will it be an ongoing continual profession development regime once a baseline of experience has been agreed on? What happens if the competent person(s) leaves?

## Part 6: Certified modular component manufacturer requirements

This Part covers the requirements for certified MCM's, which includes making sure that the modular components identified in its scope of certification continue to be manufactured in accordance with the quality plan and that the MCM's processes and quality management system are effectively implemented.

22. Do you agree with the proposed rules for quality plans and quality management systems? If not, what changes would you suggest?

- Yes, I agree                       No, I disagree                       Not sure/no preference

We have no comments on this section.

23. Are the ongoing staff training and competency requirements clear and workable? If not, what changes would you suggest?

- Yes, I agree                       No, I disagree                       Not sure/no preference

Will there be a recognised or minimum competency for staff and contractors, what will this look like and how will this be maintained? e.g., Continuing professional development, regular competency assessment, learning and development plans for staff/contractors.

24. Do you think the requirements for written records and notifications provide sufficient oversight? Is there anything else you would suggest?

Yes, I agree

No, I disagree

Not sure/no preference

We have no comments on this section.

## Appendix 1: The MCM scheme framework

25. Are there any other comments on the rules that you would like to add?

We would like to see a great focus on public information from the MCMCB to inform community and customers on the scheme, their scope, audits and outcomes, complaints and disciplinary action.

Thank you again for your time in responding to this consultation.