



Hamilton City Council – Staff Feedback

Improving Efficiency in the Inspection Process – Increasing the Use of Remote Inspections and Accredited Organisations (October 2024 Discussion Paper)

Ministry of Business, Innovation and
Employment

29 November 2024



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 staff feedback is aligned to all of Hamilton City Council's five priorities.

Council Approval and Reference

This staff feedback was approved by Hamilton City Council's Chief Executive on 29 November 2024.

Feedback # 780

It should be noted that the following feedback is from staff at Hamilton City Council and does not therefore 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 provide feedback on the October 2024 discussion paper **Improving Efficiency in the Inspection Process – Increasing the Use of Remote Inspections and Accredited Organisations**.
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 Feedback

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

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

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Submission form improving efficiency in the inspection process

Improving efficiency in the inspection process

Increasing the use of Remote Inspections and Accredited Organisations

How to have your say

Submissions process

MBIE seeks written submissions on this discussion paper by 5pm, Friday 29 November 2024.

Your submission may respond to any or all of the questions in the discussion document (noting that questions 16-21 are for building consent authorities and Accredited Organisations (Building)).

Please provide comments and reasons explaining your choices. Where possible, please include evidence to support your views, for example references to independent research, facts and figures, or relevant examples.

Your feedback will help to inform decisions on options that should be progressed, the detailed design of those options, and whether other options require further consideration.

Please respond to the questions by using this submission form which is located on [MBIE's Have Your Say page](#) or by using the [online survey form](#). This will help us to collate submissions and ensure that your views are fully considered.

You can submit the form by 5pm, Friday 29 November 2024 by:

- Sending your submission as a **Microsoft Word document** to building@mbie.govt.nz
- Mailing your submission to:
Consultation: Remote inspections
Building System Performance
Building, Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473

Wellington 6140
New Zealand

Please include your contact details in the cover letter or e-mail accompanying your submission.

Please direct any questions regarding this consultation to building@mbie.govt.nz.

Use of information

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

Release of information on MBIE website

MBIE may publish a list of submitters on www.mbie.govt.nz and will consider you have consented to this, unless you clearly specify otherwise in your submission.

Release of information under the Official Information Act

The *Official Information Act 1982* 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 clearly mark which parts you consider should be withheld from official information act requests, and your reasons (for example, privacy or commercial sensitivity).

MBIE will take your reasons into account when responding to requests under the *Official Information Act 1982*.

Personal 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 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

Please provide some information about yourself 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 and organisation

Name: Alister Arcus

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

Organisation: Hamilton City Council

Role: Principal Building Advisor

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

☒ Yes ☐ No

Please clearly indicate if you are making this submission as an individual, or on behalf of a company or organisation.

☐ Individual ☒ Company/Organisation

(Including individual
building consent officers)

The best way to describe you or your organisation is:

- | | |
|--|---|
| <input type="checkbox"/> Accredited Organisation (Building) | <input type="checkbox"/> Commercial building owner |
| <input type="checkbox"/> Builder | <input type="checkbox"/> Designer / Architect / Engineer |
| <input type="checkbox"/> Other building trades (please specify below) | <input type="checkbox"/> Developer |
| <input checked="" type="checkbox"/> Building Consent Authority/Council | <input type="checkbox"/> Homeowner |
| <input type="checkbox"/> Building Consent Officer (Individual) | <input type="checkbox"/> IT / Software provider |
| <input type="checkbox"/> Other (please specify below) | <input type="checkbox"/> Industry organisation (please specify below) |

Privacy and official information:

The Privacy Act 2020 and the Official Information Act 1982 apply to all submissions received by MBIE. Please note that submissions from public sector organisations cannot be treated as private 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 or release under the *Official Information Act 1982*.
- ☐ MBIE may publish or release your submission on MBIE's website or through an Official Information Act request. If you do **not** want your submission or specific parts of your submission to be released, please tick the box and provide an explanation below of which parts of your submission should be withheld from release:

Insert reasoning here and indicate which parts of your submission should be withheld:

[E.g. I do not wish for part/all of my submission to be release because of privacy or commercial sensitivity]

Consultation questions

Introduction

The primary objective of the options in this consultation is to improve the efficiency and timeliness of building inspection processes, to make it easier, cheaper and faster to build.

Outcomes and criteria

- System is efficient
- Roles and responsibilities are clear
- Requirements and decisions are robust
- System is responsive to change

Please refer to page 7 of the discussion document for full detail.

1a. Do you agree these are the right outcomes/criteria to evaluate the options?

☒ Yes

☐ No

☐ Unsure

Nil

1b. Are there any others that should be considered?

☒ Yes

☐ No

☐ Unsure

How compliance will be achieved.

The process needs to be focussed more on the ability to check for non-compliance over an easy way for inspections to be completed.

Increasing the uptake of remote inspections

The **main benefits** of remote inspections are increased efficiency and productivity through:

- reducing the need for inspectors to travel to site
- greater convenience, flexibility and timeliness
- the ability for inspectors to carry out inspections in other districts

Remote inspections can also reduce emissions due to reduced travel and can support good record keeping practices.

Please refer to pages 9 - 10 of the discussion document for full detail.

2a. Do you agree with our description of the opportunity (i.e., benefits) of increasing the uptake of remote inspections? Please explain.

☐ Yes

☒ No

☐ Unsure

- **The use of remote inspections would still require tradespeople to travel to the site to enable the inspection to take place via video.**
- **It will not be convenient for a contractor to be onsite to facilitate every remote inspection. Currently, several inspections are completed with only the building inspector onsite. If there are issues to discuss, the building inspector phones the contractor to talk about them. The requirement to have the contractor onsite facilitating the remote inspection will add labour and time to the build as many contractors would have to 'down tools' on one project to be available to facilitate a remote inspection at another of their sites. This is not currently required with building inspectors going to the site.**
- **The concept of remote inspections relies upon both parties being available to carry out the inspection, reliable internet connections and the contractor's ability to use technology – all of these are unlikely to be consistent.**
- **The following comment is from a builder who has been involved with remote inspections via Consentium BCA: "Has its place but easy to hide things if you want to, saves no time on site".**

2b. Are there any other benefits? Please explain.

Nil

3. For builders/sector: What savings and costs have you experienced with remote inspections? Do they differ depending on whether a remote inspection is real time or evidence-based?

N/A

4. For builders/sector: Do you have any concerns about taking part in remote inspections (whether real time or evidence-based)?

N/A

Key barriers and risks of remote inspections

Key risks of remote inspections include:

- Building safety and performance
- Dishonest practices
- Liability concerns
- Trust in build quality

Please refer to page 11 of the discussion document for full detail.

5a. Do you agree these are the main risks associated with increasing the use of remote inspections?

☒ Yes

☐ No

☐ Unsure

Nil

5b. Are there any other risks that should be considered? If yes, please explain.

☒ Yes

☐ No

☐ Unsure

- **A breakdown in the face-to-face relationships established between inspectors and people onsite. This aspect of inspections is important in achieving good outcomes for building performance. There is a level of trust that is established between the trade and the inspectorate which reduces potential non-compliant work. Building inspectors often provide onsite training on compliance, which could be lost with this proposal.**
- **Increased use of Engineers as quality controllers – real-life example: An engineer visited the site four times before concrete was poured and changed his design – more steel – more cost to the owner.**

6. Are current occupational regulation and consumer protection measures fit for purpose to manage risks associated with higher uptake of remote inspections? If not, what changes would be required?

☐ Yes

☒ No

☐ Unsure

- **Greater liability and penalties will be needed for individuals completing the building work.**
- **Regular training and ongoing competency assessments of the contractors engaged in remote inspections e.g. QA training.**

Options to increase the uptake of remote inspections and improve efficiency of inspection processes

Option One: Review remote inspection guidance, address failure rates and/or publish wait times (non-regulatory) (Pages 12 – 13 in discussion document)

Option Two: Require building consent authorities to have the systems and capability to conduct remote inspections (Page 13 in discussion document)

Option Three: Require building consent authorities to use remote inspections as the default approach to conducting inspections (Pages 13 – 14 in discussion document)

Option Four: (complementary option): Create a new offence to deter deceptive behaviour (Page 14 in discussion document)

7. Which option(s) do you prefer? Please explain why by commenting on the benefits, costs, and risks compared to other options.

☐ Option One

☒ Option Two

☐ Option Three

☒ Option Four

☐ None

Having the capability to carry out remote inspections (real time) would be a useful tool for building inspectors to use. Not every inspection requires an hour-long site visit, especially a reinspection. Having the option of when, where, how or with whom this technology should be used is vital to the success of building performance.

8. Are there any other options we should consider?

☐ Yes

☐ No

☒ Unsure

Nil

Option One: Review remote inspection guidance, address failure rates and/or publish wait times (non-regulatory) (Pages 12 – 13 in discussion document)

9. What can be done to help reduce inspection failure rates?

- **Improve education for Trades about compliance, and apprenticeship training needs to cover how the regulatory system works and the compliance pathways in apprenticeship training to increase understanding.**
- **More robust training, qualifications, and penalties for LBP – requiring advanced Trade Certificate – a similar system of qualification as PGDB – notifications of prosecutions and reprimands by the Board to highlight awareness of consequences of non-compliant work.**

Option Three: Require building consent authorities to use remote inspections as the default approach to conducting inspections (Pages 13 – 14 in discussion document)

10. What inspections could generally be conducted remotely with confidence?

- **Reinspection's after a failure (depending on how many items that need to be reinspected).**
- **Postline inspections, with the exception of fire rating and acoustics.**
- **Some structural elements could be photographed (and uploaded to a remote inspection programme) to streamline the framing process, allowing the roof to be installed and the building wrapped as soon as possible (depending on the project's complexity).**
- **Drainage inspections.**

11. Are there any inspections that should **never** be carried out remotely (e.g., based on the type of inspection or building category)? Please explain why.

☒ Yes

☐ No

☐ Unsure

- **Residential Pre-Floor both, pre-line both, weathertight and fire-rated elements and final both.**
- **Multi-storey structures – more complex – more risk – contractor competence.**
- **Commercial buildings – specified systems – alternative construction methods – public access.**

Some exclusions may be needed under **Option Three**, including when:

- there is poor internet connectivity at the inspection site
- there is poor lighting or adverse weather that may impair video/photo quality
- the inspector and/or builder deem it necessary to conduct an on-site inspection to ensure critical details are not missed
- a building professional has previously been deceptive or regularly failed inspections
- building work is being carried out by an individual with an Owner-Builder Exemption

Please refer to page 13 in the discussion document for full detail.

12a. Do you agree with the proposed exclusions under Option Three?

☒ Yes

☐ No

☐ Unsure

Nil

12b. Is there anything else that should be added to this list?

☒ Yes

☐ No

☐ Unsure

Inspection types listed above in question 11.

Option Four: create a new offence to target deceptive behaviour during a remote inspection.

The offence relates specifically to *'deliberate actions to hide, disguise, or otherwise misrepresent non-compliant building work'*.

The offender would be liable on conviction to a maximum fine of \$50,000 for an individual and \$150,000 for a body corporate or business.

Please refer to page 14 in the discussion document for full detail.

13. If a new offence were to be created, does the above description sufficiently capture the offending behaviour? If not, is there anything else that should be considered?

☐ Yes

☒ No

☐ Unsure

Suitable person assessment must be introduced and offender penalty, not just through Court action.

14. Would the maximum penalty of \$50,000 for individuals and \$150,000 for a body corporate or business be a fair and sufficient deterrent?

☒ Yes

☐ No

☐ Unsure

Nil

15. Are there any other ways to discourage deceptive behaviour besides creating an offence?

☒ Yes

☐ No

☐ Unsure

- **Greater liability and penalties will be needed for individuals completing the building work.**
- **Loss of Licence, demerit points system, Spot fines/infringements, failed remote inspection charges.**

Questions for Building Consent Authorities and Accredited Organisations (Building)

16. What percentage of inspections do you carry out remotely?

0% currently due to sector demand.

17. What are the main things preventing you from using remote inspections, or using them more often? Please explain.

- **Little perceived time savings as Hamilton is a compact city with minimal travel distances between sites and an average of 5 minutes between.**
- **Sector uptake is insignificant and feedback from the industry is that they prefer onsite inspections.**

18a. Please briefly outline your policy regarding when, how and with whom you use remote inspections.

N/A

18b. In what circumstances do (or would) you use real time remote inspections versus evidence-based? Do you prefer one method (real time or evidence-based) over the other? Please explain why with reference to benefits, costs and risks.

- **Have trialled evidence-based Artisan and feedback from the industry was that while time may have been saved for the BCA, the time increased onsite for the contractors and savings were not realised for them so they revert back to onsite for speed and ease.**
- **Have not trialled real time but seems more agreeable and the result is able to be given there and then.**
- **Time and cost implications for the BCA are high due to these systems setup requirements. These fees and charges for software and time will be passed on to the customer.**

19. We want to know about building consent authority costs and savings (actual or anticipated) in establishing remote inspection technology and processes.

What are your actual or projected costs from undertaking remote inspections?

Training

\$35,000.00

IT Expenses

\$50,000.00 setup not including ongoing running costs.

Additional staff

\$100,000.00 – Per Full Time Employment (FTE).

This is based on our current operating model and workflow. It's expected that the

uptake of remote inspection would see similar volumes as we experienced through our trial, therefore requiring an additional staff member to meet customer expectations around delivery along with maintaining our current onsite inspection offering. This assumption may be different should remote inspection where mandatory and/or booked in advance.

Other

\$15,000.00 – Per Full Time Employment (FTE).

Assumption based on above.

What are your actual or projected savings from undertaking remote inspections?

Travel and vehicle

\$0 – still required to carry out onsite inspections.

As illustrated above, this assumption is based off our current operating model e.g. local BCA and voluntary offering of remote inspections. Should the model change to regional or other and inspections be mandated or restricted, savings could be achieved through staff, time, and travel.

Ability to do more inspections per day

\$0 – Hamilton is a compact city averaging 8-13 inspections per person per day.

Assumption based on above.

Reduced staffing costs

\$0 – all staff will still be required, just in a different capacity.

Other

Nil

Please also provide any data and/or estimates on travel and emissions reductions achieved through the use or potential use of remote inspections. Please include any assumptions or qualifiers. Relevant attachments can be emailed along with your submission form to building@mbie.govt.nz.

Please see the assumptions in the above financial section – should the operating model or parameters change; reductions would need to be considered and offset.

20a. Considering the actual or anticipated costs of establishing remote inspection capabilities, how long has it taken (or do you expect it to take) to see a return on investment?

3 + years to enable funding through the next Long Term Plan (LTP).

20b. Do you anticipate that you will be able to reduce inspection charges for remote inspections?

No

21. What factors would you consider in pursuing a prosecution for the deceptive behaviour described in Option 4?

3 strikes.

Increasing inspection capacity through the use of Accredited Organisations (Building)

Many building consent authorities engage Accredited Organisations (Building) to carry out consent processing on their behalf, but only a few are involved in inspections.

There is an opportunity to increase inspection capacity (onsite and remote), by using these organisations to carry out more inspection work, either on behalf of building consent authorities, or by enabling owners to engage them directly.

Please refer to page 17 in the discussion document for full detail.

22. What are the benefits, costs, and risks of building consent authorities contracting more Accredited Organisations (Building) to undertake inspections?

This is not a viable option for Metro BCAs as budget, ratepayer expectations and competency challenges lean more to permanent staff employment rather than the use of contractors.

23. What are the main barriers to building consent authorities contracting Accredited Organisations (Building) to undertake inspections? How could these be addressed?

Liability, cost, procurement processes, trust, competency, urgent availability.

24. Do you think that owners should be able to directly engage Accredited Organisations (Building) to undertake inspections? Please explain, commenting on the benefits, costs, and risks.

☒ Yes

☒ No

☐ Unsure

No, this eroded the BCA's ability to forecast workloads to deliver efficient services. Staff retention would be challenged and the risk/long-term exposure for the BCA should certification be retained.

25a. Do you agree with the potential mitigations? (refer to table on page 18 of the discussion document)

☐ Yes

☒ No

☐ Unsure

25b. Are there any other issues or mitigations we should consider?

☒ Yes

☐ No

☐ Unsure

- **Trust and agreement between BCA – Accredited Organisations (Building) – Customer.**
- **Liability clarity – BCA versus AO(B).**

General Comments

26. Do you have any other general comments you wish to make?

☒ Yes

☐ No

☐ Unsure

- In line with proposed remote inspections, consideration could be given to legislating an inspection rescheme e.g. what type and number of inspections should be carried out, this both creating consistency for the industry, clarity of roles and assisting in balancing BCA liability.
- Staff also consider that this consultation is a significant opportunity to propose the possibility of remote inspections to monitor sites for sediment control. Clause E1 in the Building Code outlines the need to effectively manage surface water to protect people, other property, drainage systems, and outfalls. This aligns with the Council's objectives for the maintenance of its stormwater systems.
- To protect its stormwater systems and reduce possible environmental impacts of stormwater on building sites, the Council inspects sites to evaluate measures taken by the site to manage sediment. These inspections could easily be accomplished remotely with photos of the site and sediment control measures. This would increase the Council's capacity to monitor sediment control, allow the Council to complete more inspections than the minimum requirement of its stormwater discharge resource consent, and minimise the impact of building activities on the environment and communities.