

Key Building System Performance projects and initiatives – July 2019 update



Priority projects

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
Partner with industry and work together			
<p>Construction Sector Accord Aim: To develop and implement a Construction Sector Transformation Plan that transforms the sector for the success of New Zealand.</p>	Judy Zhang	<p>On 14 April 2019, Government Ministers, the Prime Minister, and construction sector leaders signed and launched the Construction Sector Accord. Since then, more than 300 people have signed up to get involved.</p> <p>The Accord aims to strengthen the partnership between government and industry to work together to lead the transformation of the construction sector. The Accord sets out vision, goals and outcomes to be achieved and outlines the priority areas of work to be progressed. It includes a set of principles for how the sector will work together to deliver on the change that is needed.</p> <p>Find out more at www.constructionaccord.nz.</p>	Government and industry leaders are now working together to develop a construction sector transformation plan by the end of the year. This work will include engagement with the wider sector and assessing new and existing initiatives within industry for inclusion in the plan.
Define a long-term measurable strategy			
<p>Building System Strategy Aim: Develop a Building System Strategy to set a clear direction for New Zealand's building system over the next 10-15 years.</p>	Judy Zhang	<p>The strategy will define the vision, medium and long-term goals for the building system, and performance measures to assess progress.</p> <p>A draft strategic framework is being developed using existing stakeholder feedback, information and data, literature and international research. Over the next few months MBIE will seek input from key stakeholders on the draft framework.</p>	Engagement with key stakeholders will take place between July and September this year.
Enable and support the sector to respond to challenges			
<p>Building System Legislative Reform Programme Aim: Improve the building regulatory system by strengthening and modernising New Zealand's building laws.</p>	Katrina Quickenden	<p>Consultation on the proposed building law changes is now closed.</p> <p>Nearly 500 submissions were received across the areas of risk and liability, building products and methods, occupational regulation, building levy, and offences and penalties. The impressive amount of feedback acknowledges how much change is needed, and means a diverse range of voices have been</p>	Later in 2019, Ministers and Cabinet are expected to make a decision on the package of reforms. Legislation will be drafted based on those decisions. This is a process that usually

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
<p>Make roles and responsibilities clear so people know what to do, make the right information available when it's needed, and hold people accountable to the responsibilities of their role.</p>		<p>heard.</p> <p>Submissions are now being analysed. All feedback received will be considered as the final proposal to strengthen New Zealand's building law is developed. A summary of the feedback and themes emerging from it will be made available.</p> <p>Information about the building law reforms is on the MBIE website.</p>	<p>takes a minimum of six months.</p> <p>Following the drafting of legislation, the Select Committee process provides a further opportunity for feedback.</p>
<p>Skills Strategy Aim: For Government and the building and construction sector to work together so skilled people are available to meet the current and future needs of New Zealand's construction workforce.</p>	<p>Judy Zhang</p>	<p>The cross-agency Construction Skills Action Plan with six initiatives was launched on 4 October 2018. A Ministerial group is overseeing implementation.</p> <p>Five of the six initiatives have commenced or completed implementation as planned:</p> <ul style="list-style-type: none"> • Skills for Industry (MSD-led) • Mana in Mahi – Strength in Work (MSD-led) • The Construction and Infrastructure Skill Shortage list (MBIE-led) • Growing Construction Careers and Credentials (TEC-led) • Jobs and Skills Hubs (MBIE-led) <p>The remaining initiative, Leveraging Government Procurement (MBIE-led), has been approved by Cabinet for implementation on 1 October 2019. This includes the new rule for ensuring skills and training development are requirements of suppliers tendering for Government construction procurement projects valued at over \$9 million.</p> <p>MBIE is leading the work to develop a forecasting model for the mix of workforce capabilities and capacity required in the construction sector now and in the future. This work is a key input into MBIE's work to develop Phase Two of the Construction Skills Action Plan, and align with the Construction Sector Accord.</p> <p>You can now keep up-to-date with progress on the Construction Skills Action Plan at www.skillsinconstruction.govt.nz.</p>	<p>Agencies will continue implementation of their initiatives as planned and scoping of Phase Two of the Construction Skills Action Plan.</p> <p>Changes to the Government procurement Rules will come into effect on 1 October 2019.</p> <p>Ministers will consider the scope and approach for Phase Two in December 2019.</p>

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
<p>Building Code Delivery Framework Aim: Strengthen management of the Building Code so it is consistently updated, sets clear minimum performance requirements, and allows for sector innovation and best practice.</p>	<p>Dave Robson</p>	<p>This framework of initiatives focuses on improving the current maintenance and risk settings in the Building Code, as well as educating users and strengthening relationships. It will help us decide where to invest to manage risk and remove barriers to compliance.</p> <p>There was a Building Code update on 27 June 2019. The most significant changes are:</p> <ul style="list-style-type: none"> • the introduction of a way to test claddings on buildings up to 25 metres in height • a new edition of Fire Acceptable Solution C/AS2 in a single volume (previously it was six separate documents) • requiring ventilation in certain areas of housing. <p>Content for the next round of bi-annual updates (to be published in November 2019) is now being confirmed. The focus is on changes that support housing densification. You can sign up to receive the Building Control Updates newsletter to keep up-to-date with these changes.</p> <p>In May 2019, MBIE and Engineering New Zealand agreed to a partnership that will strengthen MBIE’s engineering and technical expertise. Two projects are now being led by Engineering New Zealand.</p> <p>They’re evaluating the technical impacts of the proposed revised version section C5 (concrete buildings) in the Engineering Assessment Guidelines for assessing earthquake-prone buildings. This information is needed before MBIE can consider incorporating it as legislation. They’re also finalising the Geotechnical Practice Series - compliance information for geotechnical engineers.</p> <p>The BCTRAG (Building Code Technical Risks Advisory Group of sector representatives) is an external advisory group that provides technical risk advice to MBIE. The third meeting, with 20 participants, was held on 5 June 2019.</p> <p>They told MBIE about five risks to consider:</p>	<p>The next round of bi-annual updates will open for consultation in August 2019.</p> <p>The advice provided by the BCTRAG will be considered in the context of MBIE’s work program.</p> <p>Later in 2019 MBIE will start to consider how findings from the Smarter Compliance Pathways project can support work on a long-term improvement strategy for the Building Code.</p>

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
		<ol style="list-style-type: none"> 1. Does the Building Act/Code need to change to meet its objectives for building resilience after an event (such as an earthquake)? 2. Is 'building performance data' being collected consistently to help MBIE monitor building performance and assist with Building Code updates? 3. Is the current model of funding Standards and project management with Standards New Zealand supporting the needs of the Building Code? 4. Are there gaps in the range of compliance tools territorial authorities and Building Consent Authorities have to ensure compliance with the Building Code in certain scenarios? 5. MBIE needs to consider the effects of uncertainty and confusion caused by the 10+ building categories in the Building Act/Code. <p>Further discussion included how data collection can be enhanced, risk trends can be identified, and opportunities to enhance the Building Code system.</p>	

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
--------------------	---------------------	-----------------------------------	---

Emerging and system priorities

<p>Climate change Aim: To consider how the built environment can contribute to the Government's climate change goals, and what role the building regulatory system might play as one of a broad range of actions to affect how we build in NZ.</p>	Judy Zhang	<p>MBIE's climate change programme is underway with a review of available evidence on how the building regulatory system could be used to support Government's climate change objectives. BRANZ is leading the literature review to inform this work and a final report is due in July 2019.</p> <p>MBIE is also continuing to engage with other government agencies to coordinate and feed into cross-agency climate change work.</p>	Late in 2019, MBIE will provide advice to the Minister for Building and Construction.
<p>Retention Money in Construction Contracts – implementation review Aim: Assess the implementation progress and early impacts and the industry's response to the retention money provisions introduced in March 2017.</p>	Judy Zhang	<p>The Construction Contracts Act (2002) allows for the protection of retention money withheld under commercial construction contracts.</p> <p>KPMG are reviewing the implementation progress, early impacts and industry response to the retention money provisions introduced in March 2017. Industry input has been crucial in informing this review. Preliminary findings will be provided in late June with the final report expected in early August.</p>	Final implementation review report expected in early August 2019.
<p>Earthquake-prone buildings Aim: To ensure New Zealand has safe, healthy and durable buildings and support territorial authorities to manage buildings that are potentially earthquake-prone.</p>	Katrina Quickenden	<p>MBIE continues to work with provincial territorial authorities and Local Government New Zealand by making minor adjustments to the earthquake-prone building management system. Work has focused on amending aspects of the regime that are having a disproportionate impact on rural and provincial towns.</p> <p>Financial assistance for residential building owners with earthquake-prone buildings is in Budget 2019 (\$23.3m was allocated over 4 years). MBIE are developing details for the loan scheme, including who will be the administering agency.</p> <p>Territorial authorities with an area of medium seismic risk will provide MBIE with their first report on progress toward identifying buildings that are potentially earthquake-prone by 13 August 2019. The second report for territorial authorities with an area of high seismic risk will also be due then.</p>	<p>In July 2019, Cabinet decisions are expected on a change to the regulations affecting rural and provincial towns, and decisions on the detail of financial assistance are expected later in 2019.</p> <p>Information that shows progress towards identifying potentially earthquake-prone buildings is due to MBIE by 13 August 2019.</p>

Project/Initiative	Responsible manager	Current status/Sector involvement	Next steps/Government decision expected
		Reporting is a requirement under the earthquake-prone building management system.	
<p>Private BCAs Aim: To develop the processes and procedures required to implement the private Building Consenting Authority (BCA) scheme provided for under the Building Act (2004).</p>	Seth Campbell	<p>Private entities can now apply to be registered as a private BCA. This means they (person or organisation) can seek to play a critical role as co-regulators in the building system.</p> <p>You can find more information about private BCAs and how to apply on the building.govt.nz website.</p>	
<p>Building Amendment Act Aim: To improve the system for managing buildings after an emergency, and to provide MBIE with powers to investigate building failures.</p>	Katrina Quickenden	A Bill with two new sets of powers under the Building Act has been passed by Parliament. They are to improve the system for managing buildings after an emergency, and to provide MBIE with legislative powers to investigate building failures.	The Bill will commence in December this year.
<p>Dam Safety Aim: To ensure there are appropriate procedures in place for the management of dam safety incidents or emergencies.</p>	Katrina Quickenden	<p>Currently there is no consistent, national level scheme to ensure the ongoing maintenance and inspection of New Zealand's large dams.</p> <p>Consultation on proposed dam safety regulations opened on 10 June 2019. It includes proposals to have procedures in place for the management of dam safety incidents or emergencies. Owners of large dams, regulators and anyone with an interest in dam safety should take the time to have their say on proposed dam safety regulations during the consultation period.</p>	Submissions close on 6 August 2019.