

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: Claire Falck

Email address: xxx

Organisation: BRANZ

Role: Chief Executive Officer

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 type="checkbox"/> Building Consent Authority/Council | <input type="checkbox"/> Homeowner |
| <input type="checkbox"/> Building Consent Officer (Individual) | <input type="checkbox"/> IT / Software provider |
| <input checked="" type="checkbox"/> Other (please specify below) | <input type="checkbox"/> Industry organisation (please specify below) |

Research and testing provider, and developer and owner of Artisan, an evidence-based inspection tool.

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]

PREFACE

BRANZ welcomes the opportunity to provide feedback on the consultation on Improving efficiency in the inspection process: Increasing the use of Remote Inspections and Accredited Organisations.

BRANZ is supportive of the Government's ambition to improve efficiency and competition in the building regulatory system.

ABOUT BRANZ

BRANZ's primary role is as an independent science and research organisation, established by the Building Research Levy Act 1969. BRANZ is the only national research institution focused exclusively on building and construction.

Our current strategic and research investment priorities are in four main areas:

- Affordability – Housing is affordable for people to build, maintain and live in.
- Resilience – Buildings protect people from earthquakes, fire, extreme weather and climate change.
- Sustainability – Buildings are environmentally designed, built, maintained and recycled.
- Quality – Buildings are safe, warm, dry and fit for future generations.

Alongside research, BRANZ offers commercial, independent, science-based testing and assurance services. BRANZ has over 50 years of expertise in assessing both domestic and international products entering the market.

SUMMARY OF FEEDBACK

We agree with the comment on page 6 of the discussion document that “the inspection process is only a part of the overall time it takes to build and there are wider opportunities to make the sector more productive”.

It is BRANZ's view that this discussion provides a significant opportunity to make the sector more productive, and it could easily be worked into the options presented in this discussion: Rather than limiting the discussion to remote inspections, there is an opportunity here to incorporate quality assurance processes and mechanisms into the consenting system. Including quality assurance with remote inspections tools would have a major impact on increasing productivity and improving quality work in the sector.

Limiting the discussion to remote inspections only narrows the opportunity to create significant impact. The discussion paper describes two approaches to remote inspections: ‘real time remote’ and ‘evidence-based’. The two approaches have very different value propositions and opportunities for impact.

‘Real time remote’ inspections save time and travel.

‘Evidence-based’ inspections save time and travel, and demand quality work and practice.

BRANZ encourages regulators and industry to expand the policy discussion here and take this opportunity to improve quality and productivity across the sector.

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

We agree with the four outcomes listed above, and would add 'Quality building work and building practices are supported' to this list. See our response to 1b.

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

☒ Yes ☐ No ☐ Unsure

We would add 'Quality building work and building practices are supported' to this list.

Assuring 'as built' quality is in everyone's best interests. Efforts to solve quality problems tend to focus on checking whether the design and build complies against the Building Code and standards. This is largely done via the product assurance framework and the building consenting process.

BRANZ designed the tool, Artisan, to improve build quality and achieve productivity gains by:

- providing quality assurance for buildings,
- supporting higher levels of workmanship,
- providing a permanent record of evidence for each build,
- reducing the time to build by improving build teams' understanding of what BCAs look for,

- reducing rework, and
- speeding up inspections.

The options included in this consultation focus only on the final bullet point 'speeding up inspections'.

As page 8 of the consultation document details, the Building Act 2004 provides the framework for the building consent process, and consenting, inspecting and code compliance certificates are steps to provide confidence in the quality of the work.

Currently the BCAs have the role of providing *confidence* in the quality of the work. To significantly shift the system, the onus needs to move to the person doing the work to provide *evidence* of quality work.

If evidence of quality work and workmanship were recorded throughout the build process and provided as proof, the inspection and code compliance certification process would be more efficient, quicker and more productive for everyone.

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

Yes, we agree these are some of the benefits of remote inspections.

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

By using evidence-based inspection tools, there is the major benefit of supporting and increasing quality practice and providing quality assurance.

Other benefits of evidence-based inspection tools are:

- an enduring record of work for the building;
- a general uplift in practice and continuing professional development;
- increased trust in and within the sector;
- an ability to see common causes of non-Code compliant practice and respond with consistent guidance;
- a means to provide consistency in inspection practice.

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

If using evidence-based inspection systems, the risks described above are no greater than when in-person inspections are undertaken. Indeed, evidence-based systems provide an enduring record of work, thereby mitigating some risk of liability concerns. Providing consistent inspection practices across BCAs is an opportunity offered by evidence-based inspection systems. The counter to this opportunity is the risk of differing practices between BCAs and individual inspectors.

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

☒ Yes ☐ No ☐ Unsure

Personal confrontation is a risk with onsite inspections and can also be a risk with video-based remote inspections, as the inspector directs the viewpoint. This risk can be lessened with

evidence-based inspections, as they enable builder-BCA collaboration and strengthen a culture of continuous improvement.

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

Risk and liability are not greatly affected by the way BCAs verify builder compliance with building consent or Code.

Evidence-based inspections can improve the process and time it takes to establish (and resolve) liability, by providing quality evidence/proof of workmanship.

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

There should be consequences for deliberately misleading any inspector – onsite or remote - or falsifying evidence.

8. Are there any other options we should consider?

☒ Yes ☐ No ☐ Unsure

Amend Option Two to require building consent authorities to have quality assurance systems and capability to conduct evidence-based remote inspections.

A complementary option to this would be to require building companies to use a quality assurance system throughout the build process, in order to provide evidence of Code compliance. This could happen through the Licensed Building Practitioner Rules 2007.

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?

The use of an evidence-based [remote] inspection system would improve quality work and workmanship from the outset of the build process. It would allow real-time intervention, reduce inspection failure and rework rates.

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?

The majority, if the build and consenting teams have the capability to use evidence-based tools - understanding there will be exclusions.

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

If a minimum number of in-person inspections were to occur, e.g. at the beginning and completion of a build, it would be important to have an enduring visual record documenting the build. Evidence-based inspection tools provide this record.

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

There would be less need for the listed exclusions if quality could be assured throughout the build process and evidence-based inspection tools were used.

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

☐ Yes ☐ No ☐ Unsure

N/A

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

It might be necessary to incorporate a way to deal with repeat offenders.

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

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

☒ Yes ☐ No ☐ Unsure

A public register of offender names, offences and connected body corporates or businesses, not limited to the LBP scheme register.

Removing the ability for offenders to use any form of remote inspections and publicly notifying this.

Questions for Building Consent Authorities and Accredited Organisations (Building)

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

N/A

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

N/A

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.

N/A

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

\$

IT Expenses

\$

Additional staff

\$

Other

[Insert response here]

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

Travel and vehicle

\$

Ability to do more inspections per day

\$

Reduced staffing costs

\$

Other

[Insert response here]

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.

[Insert response here]

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?

N/A

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

N/A

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

N/A

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?

N/A

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

N/A

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

N/A

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

N/A

General Comments

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

☒ Yes

☐ No

☐ Unsure

Rather than limiting the discussion to remote inspections, there is an opportunity here to incorporate quality assurance processes and mechanisms into the consenting system. Including quality assurance with remote inspections tools would have a major impact on increasing productivity and improving quality work in the sector.