



# Elephant Plasterboard

*Elephant Plasterboard (NZ) Ltd*

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6 September 2022

## **Oliver Meech**

Manager, Residential Building Supplies Market Study  
Commerce Commission | *Te Komihana Tauhokohoko*  
44 The Terrace | PO Box 2351 | Wellington 6140 | New Zealand

Dear Oliver,

Please see below a submission from Elephant Plasterboard (NZ) Ltd in response to the Commerce Commission Residential Building Supplies Market Study, draft report, dated 4 August 2022: ISBN no. 978-1-99-101223-4, Project no. 21.01/ PRJ0045688

## **Background**

Elephant Plasterboard (NZ) Ltd has been servicing the New Zealand plasterboard market for 34 years and currently represents █████ of the plasterboard market in New Zealand. As such we believe we are in a strong position to provide both valuable insight into factors that affect competition for the supply or acquisition of key building supplies used to build the major components of residential buildings and we can provide productive recommendations.

## **Review & Observations**

After reviewing the Commerce Commission Residential Building Supplies Market Study, we offer the following feedback and recommendations.

### **A: Discouraging the use of quantity-forcing Rebates in the “Supplier to Builder” link**

We support draft recommendation 7 in regard to removing quantity forcing Supplier to Merchant rebates.

Further to the Supplier to Merchant rebates, Consideration needs to be made to Supplier to Builder rebates or discounts.

Medium to large housing companies are offered discount prices or rebates from plasterboard suppliers and these are often based or conditional upon full 100% loyalty to that supplier. If a housing company wants to share supply 80%/20% for example, the dominant supplier may not provide a flat rebate or flat discount on their 80% portion, therefore ‘forcing’ the housing company to put all their eggs in one basket.

Mechanisms such as rebates and kickbacks can be held back if they are not 100% loyal to the dominant supplier.

STRENGTH WITH STYLE

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## **B: Product Specification at Design & Consent Stage. Allow at least two products systems options**

### **Recommendation:**

We believe there should be the option to specify two different products (or systems) of the same product type e.g. plasterboard on a plan at design/consent stage.

This ultimately would achieve real choice for the builder and without any of the present compliance costs and other hurdles as mentioned in the report.

Currently, specification of a product or system, falls into two main methodologies.

#### 1. Generic, for example “Use R2.2 glass wool insulation”

The builder can install any glass wool insulation that has a performance of R2.2. There seems to be no compliance issues with this method. The building inspector can be satisfied at the pre-line stage that the product used is compliant.

#### 2. Brand specific, for example “R2.2 Pink Batts”

Builders can deviate from the specific brand, however currently this still requires, at the very least a Minor Variation form signed to satisfy council that the owner or ‘authorised agent’ has approved the change in brand for some suppliers. This disincentivises the builder from substituting, as it creates more paperwork for little gain.

Currently it is unclear if a specifier can offer two options, for example: “R2.2 Pink Batts or R2.2 Bradford Gold Batts”. There needs to be consistency and clarity for specifiers.

### **Practical Application for Plasterboard (where two brands are specified at design/consent stage)**

#### **1. Bracing**

Use a generic “code” e.g. DS-N which means either brand A or B can be installed, and the performance and bracing contribution is provided by the lowest performing brand. (See attached “SwitchBrace” publication which details how this would work.

There could be any number of “combined” systems. The specifier can choose which one. But the ultimate result will be choice at lining stage.

The builder can flip a coin as to which brand, they want to use. As the structural performance provided by the lower performer has been used in the structural calculations. So, there is no risk of getting the bracing wrong.

#### **2. Fire & Noise Control**

Where an inter-tenancy wall requires a STC of 55+ and fire rating 60 minutes  
The plan could state the following when referencing a fire wall section:

GBTLA60a or E4TDLA60

Again, the builder could use any one of 2 brands at time of lining. Without incurring compliance issues.

The builder could still choose a 3<sup>rd</sup> branded fire system. And what they face would be no different than the current situation. Still achievable to substitute, just a bit more onerous.

## **C: The Design and Consent Process needs a register of approved systems**

Currently it is much easier for a specifier to specify a product or system from a known dominant supplier than to specify a product or system from a lesser-known supplier, even though the lesser-known supplier has demonstrated a path to compliance, many times.

### **Recommendation:**

When a BCA approves for example, an Elephant Plasterboard fire system code, then that should be stored in a central register that enables any other specifier, builder, BCA processor or inspector to use and accept the same code. They can all access the register at any time to see if a system code is listed and accept that the path to compliance has been satisfied in the past. All specifiers, builders, BCA processors and inspectors should then automatically accept the system code.

If a system code is not in the register, then it is no different than the current process whereby a supplier must provide the documentary evidence of their producer statement. Once that has been accepted, then that system also enters the register.

A third brand could still be chosen, but that would be no different from the current scenario where just one brand is specifically specified at consent.

For path to compliance, the GIB systems seem to automatically pass or be accepted during consent processing due to 'familiarity'.

The second option, in this case an Elephant fire system, should also automatically pass due to the fact that Elephant Fire Systems have demonstrated their path to compliance and have been used successfully for over 34 years.

There are inconsistencies, James Hardie fire systems are automatically accepted despite not being BRANZ appraised.

All compliant products and systems should be on a national register (possibly managed by BRANZ) and BCAs need to readily accept these products and systems.

**D: Substituting After Consent, Use simple table references of code changes**

Currently there is often significant work in substituting a product or system after consent.

**Recommendation:**

There should be no requirement to change every entry on a plan, just the table

For bracing

EG: All ES-N changed to GS1-N  
EM-H changed to BL1-H

Or a table for fire

'All references to ....

E1FC30 change to GBFC30  
E4TDLA60 changed to GBTLA60b

During construction the builder simply refers to the change table and so does the inspector. This is included in the property file, so years later it is simple to understand what happened. This simple table change mechanism, would eliminate the need for the builder to reengage specifiers and designers etc which is costly and time consuming.

Please call me if you have any questions or require more detail.

**Kind Regards**



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