

NZCIC feedback on Residential building supplies market study-draft report.

Introduction

The New Zealand Construction Industry Council (NZCIC) is the cohesive voice driving industry well-being and performance for a better built environment for New Zealand.

NZCIC is a not-for-profit peak industry association representing around 35 member organisations involved in the delivery of our built environment. Our member associations cover all aspects of the construction industry including contractors, workforce, manufacturers and suppliers, design, research, and compliance. [nzcic membership](#)

General

NZCIC supports robust competition in the construction industry as a means to ensuring consumers are provided with quality products at a fair price. For most people, a home will be their biggest single purchase and often their main means of savings and investment. Most consumers have limited knowledge of building systems and building products and are therefore relatively uninformed around the risks involved with their purchases of building services and houses. It is therefore essential that the building system provides appropriate assurance of quality as well as a competition.

Whilst NZCIC supports some of the recommendations contained in the draft report, we are concerned that some of the recommendations for reducing barriers to certification of products does not reflect the overall risk profile of the industry and could inadvertently lead to another “leaky building” crisis.

Specific comments on draft recommendations to enhance the regulatory system

1. Introduce competition as an objective to be promoted in the building regulatory system.

We do not believe this is an appropriate requirement for the building regulatory system, which is basically a framework established to meet minimum performance requirements.

2. Better reflect Māori perspectives in the building regulatory system.

We do not have any comments on this recommendation.

3. Create more compliance pathways for a broader range of key building supplies.

We do not have a specific objection to increasing the range of compliance pathways as long as all pathways provide a satisfactory level of quality assurance for downstream services and consumers. Critical products in residential buildings must have long term durability and increasing the risk of premature product failure may outweigh any initial benefits from reduced pricing.

Suggestions that new products entering the market should be supported through subsidised approval processes is not supported by NZCIC as this provides a competitive advantage to new entrants and disadvantages those suppliers who have invested heavily in product certification.

4. a. Explore ways to reduce specifications by brand

We support this recommendation.

b. Establish a BCA centre of excellence to facilitate a better co-ordinated and enhanced approach by BCAs to consenting and product approval processes.

NZCIC supports initiatives to improve consistency and efficiency across and within BCAs, as well as a consolidation of BCAs. There are a number of organisations that work across BCAs and their employees, such as Local Government NZ and Building Officials Institute NZ who may be able to facilitate such an initiative.

5. Investigate whether the barriers to certification and appraisal can be reduced.

As per recommendation 3. we support reducing barriers to certification as long as there is an appropriately robust system of quality assurance. NZCIC supports acceptance of International Standards in many instances, as long as appropriate checks are in place to ensure products are compatible with other NZ products, systems and environmental conditions.

6. Identify and develop methods to centralise information sharing about key building supplies:

a. Establish a national building products register as a centralised repository for sharing information about building products and consenting.

NZCIC supports this recommendation.

b. Establish a BCA centre of excellence to facilitate a better co-ordinated and enhanced approach by BCAs to consenting and product approval processes.

As per 5., we support this recommendation.

7. Promote compliance with the Commerce Act, including by discouraging the use of quantity forcing supplier to merchant rebates that may harm competition.

NZCIC supports this recommendation.

8. Further consider the economy wide use of restrictive land covenants and exclusive leases.

NZCIC supports this recommendation.

Contact NZCIC

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