

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: Paul Henderson

Email address: Paul.henderson@dcc.govt.nz

Organisation: Dunedin City Council

Role: Building Services Manager

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:

☐ Accredited Organisation (Building)

☐ Commercial building owner

☐ Builder

☐ Designer / Architect / Engineer

☐ Other building trades (please specify below) ☐ Developer

☒ Building Consent Authority/Council

☐ Homeowner

☐ Building Consent Officer (Individual)

☐ IT / Software provider

☐ Other (please specify below)

☐ 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

DCC agrees with the proposed outcomes.

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

☒ Yes ☐ No ☐ Unsure

DCC proposes the additional outcomes:

- System does not increase risk or liability for councils and property owners.
- Inspections are carried out in a timely manner.
- Compliance with the New Zealand Building Code (NZBC) is achieved.

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

DCC understands the benefits listed above although DCC notes:

- The proposals will not necessarily translate to a reduction of inspection delays:
 - Inspection timeliness is not a legislative requirement and is subject to resourcing levels. If the use of remote inspections enabled more inspections to be carried out per day, some councils may respond by allowing staff numbers to reduce.
 - Current inspectors who are doing face to face inspections may not wish to continue in their roles if they are required to undertake remote inspections in an office environment.
- Inspectors from other districts may not understand local differences such as ownership of drainage, suitability of drainage outfalls, or district plan requirements. Due to lack of familiarity, they may not recognise local geological hazards such as expansive soils. Site inspection is often the last opportunity to recognise issues and take appropriate action.

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

Other benefits could include:

- Reduced health and safety risk associated with travelling.
- More time spent on inspections with reduced travel time

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

See additional risks below in 5b.

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

☒ Yes ☐ No ☐ Unsure

Many of the current DCC site inspectors were attracted to the outdoor, site-based nature of their role. Inspector feedback and previous experience tells us that we will have difficulty retaining our people if the role becomes more deskbound. DCC recommends the risk, "Inspectors leaving the industry" be added.

The DCC also highlights the risk of reduced education, support and information sharing which currently takes place during face-to-face inspections.

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

Based on experience, the DCC disagrees with the view that current licensing regimes for LBPs and Authorised Plumbers will be sufficient to manage the risks. The current low industry skill level is demonstrated by the very high inspection failure rates experienced by most BCAs.

We also note that there is limited council uptake of the current Licenced Building Practitioner complaints process due to the time and resources required. As a minimum we would like to see a requirement for continuing competency assessment which could be similar to the assessment process regime that is already used for BCA staff.

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

Option One. DCC notes that this is a simple suggestion that will provide benefit with little or no additional cost to council.

Option Two. DCC believes all BCA should have systems and capability to conduct remote inspections, and many do.

Option Three. DCC does not support this option. Confirming that building work complies with the building code and building consent has a direct bearing on the satisfactory performance of buildings and the potential liability of BCAs. If remote inspections became the default, DCC would need to clarify what this would mean for its insurance cover profile given our perceived increased risk.

Option Four. DCC agrees with the proposal, however we see difficulty in proving an offence has occurred when building work is often built-in or covered up. We also note that there may be limited council uptake due to the time and resources required.

8. Are there any other options we should consider?

☒ Yes ☐ No ☐ Unsure

DCC recommends that the requirement to carry out inspections within a maximum timeframe be incorporated into the Building Act 2004, in much the same way as the Act puts a 20-day time limit on granting Building Consents.

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 DCC notes that some BCA adopt the practice of failing inspections in the situation where the work complies, but is not yet complete. We recommend that this be taken into account when analysing inspection failure rates.

In terms of additional suggestions for reducing failure rates, DCC recommends:

- The strengthening of occupational regulation for LBP designers, builders and other tradespeople with occupational licences. This should include increased education and training and regular competency assessment.
- The strengthening of consumer protection measures.
- Changes to liability settings so that building consent authorities are not jointly liable for faulty building work. If greater liability sat with the people carrying out the work, there would be greater motivation to maintain a high standard.

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?

DCC reemphasises the BCA should be able to determine how best to manage inspections and the associated risks on behalf of ratepayers given the current risk/liability on BCA's/Councils a preference for face-to-face inspections.

Inspections better suited to being conducted remotely include:

- Installation of insulation.
- Air seals around openings in external walls.
- The reinspection of simple elements following failed inspections (such as the installation of an additional smoke alarm in a dwelling).
- Site location (this could be by Building Location Certificate (BLC) issued by a cadastral surveyor).
- Waterproof membrane (by relying on a 'portfolio' of information supplied by the LBP).
- Basement tanking (by relying on a 'portfolio' of information supplied by the LBP).
- Moisture content of timber (by providing a 'portfolio' of appropriately annotated photographs showing moisture contents taken at various locations using a BCA supplied and calibrated moisture meter).
- Solid Fuel heater Installations (by providing a 'portfolio' of appropriately annotated photographs showing pre-determined locations complying with the manufactures installation instructions).
- Foul, stormwater and under slab drainage.
- Effluent disposal systems.
- Plumbing preline waste and soil.
- Postline bracing.
- Block work.
- Half height brick cavity inspection.

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

The DCC believes the following inspections should never be carried out remotely:

- Ground bearing capacity
- Cladding
- Pile foundations
- Framing preline
- Completion inspections for complex projects.
- Certificate for public use
- Certificate of acceptance

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

The DCC does not support option 3. Confirming that building work complies with the building code and building consent has a direct bearing on the satisfactory performance of buildings and the potential liability of building consent authorities.

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

☒ Yes ☐ No ☐ Unsure

The DCC has received feedback from some tradespeople that they prefer face-to-face inspections and do not want to participate in remote inspections. We note that more experienced tradespeople are less likely to be comfortable with the technology and manner of communication.

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

[Insert response here]

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

[Insert response here]

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

☒ Yes ☐ No ☐ Unsure

The DCC considers that the loss or temporary suspension of an occupational practicing licence would discourage deceptive behaviour.

Questions for Building Consent Authorities and Accredited Organisations (Building)

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

The DCC carries out less than 10% of inspections remotely.

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

DCC Inspectors who have carried out remote inspections using live video stream found the process difficult, time consuming and had low confidence in the accuracy of the inspection.

We note there is a saving in travel time, but that the actual inspection often takes longer.

Remote inspections rely to varying degrees on the honesty and integrity of the site contact. The potential for dishonest practices leads to liability concerns and lack of trust in build quality.

Our industry contacts have previously indicated they prefer face-to-face inspections. Reasons include a dislike for technology and the improved interaction and educational opportunities afforded by face-to-face inspections.

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

Currently, less than 10% of the DCC's building inspections are done remotely. Examples of remote inspections include buildings being built in other regions, such as relocatable houses which will be moved to Dunedin City. These inspections are undertaken via live video stream. In other cases, a remote inspection is undertaken when the work is almost completed and can be seen it to be of a high standard, a photograph may be deemed sufficient for final sign-off. This can also apply in the case of minor remedial work; for example, installation of a smoke alarm.

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.

The circumstances in which the DCC would use real time video and evidence based remote inspections are described above. Real time video could be used in either situation, although photographic evidence is preferable for long term data storage.

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

Costs not yet determined

IT Expenses

Costs not yet determined

Additional staff

DCC does not anticipate additional staff being required.

Other

Costs not yet determined

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

Travel and vehicle

Savings not yet determined

Ability to do more inspections per day

Savings not yet determined

Reduced staffing costs

Savings not yet determined

Other

Savings not yet determined

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.

Information not available

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?

Information not available

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

Information not available

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

DCC would consider the seriousness of the offence, frequency of offending and the time and resources available to compile a case and participate in legal proceedings.

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?

The DCC would support contracting Accredited Organisations (Building) to undertake inspections if liability is removed for councils.

We have contracted services in the past and found that the arrangement generated nearly as much work as it saved. In addition to this there are considerable costs when contracting private profit-making entities.

We see risks as follows:

- Council's losing our own skilled workforce and becoming reliant on third-party organisations that may not be as stable, reliable, or experienced as a council entity. Experience tells us that it would take years to re-build an appropriate skill base.
- Accredited organisations offering above market remuneration packages as their recruitment methods we have noted does not including training their own staff from entry level and merely attracting experienced council staff.
- Inspectors from other districts may not understand local differences such as ownership of drainage, suitability of drainage outfalls, or district plan requirements. Due to lack of familiarity, they may not recognise local geological hazards such as expansive soils. Site inspection is often the last opportunity to recognise issues and take appropriate action.
- Difficulties resolving ratepayer complaints stemming from contracted services.
- Less control over quality and consistency.
- Difficulty resolving issues when council and or accredited organisations disagree with each other's process or inspection findings.
- Difficulty settling claims and apportioning liability when council and possibly multiple other accredited organisations are involved.
- Reduced ability for the BCA and TA to action compliance issues that exist on site, but do not directly relate to the scheduled inspection.
- Continuity and flow of information will be more challenging if owners use multiple organisations to carry out inspections on the same project.
- Potential liability and or reputational damage due to the negligence of another party.
- Additional council workload managing contracts and health and safety obligations.

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

In addition to the risks listed above, the DCC sees the main barriers as:

- The ability to contractually allocate liability to private organisations.
- The ability of accredited organisations to obtain adequate insurance cover. Historically this has been one of the factors that caused private building control authorities to cease trading.

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

From a council perspective there are advantages in owners directly engaging Accredited Organisations if all liability is transferred to that organisation. If a property owner chooses to employ an Accredited Organisation to undertake site inspections, then that organisation must be held directly accountable for any decisions made, particularly if the BCA issues the CCC based on those site inspections.

From an owner's perspective, we believe they may be better served by the current regime because:

- Councils are more likely to make impartial decisions because they are nonprofitmaking and have no conflict of interest.
- Owners may have difficulty apportioning liability when council and possibly multiple other accredited organisations are involved, which may result in expensive court action to resolve disputes.
- Organisations from other districts may not understand local differences such as ownership of drainage, suitability of drainage outfalls, or district plan requirements. Due to lack of familiarity, inspectors from other regions may not recognise local geological hazards such as expansive soils.

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

See further issues and risks under 22.

General Comments

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

☐ Yes

☒ No

☐ Unsure

[Insert response here]