## Recognising high quality overseas certified building products and standards

TARGETED ENGAGEMENT MARCH/APRIL 2025



#### Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

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Information, examples and answers to your questions about the topics covered here can be found on our website: **www.mbie.govt.nz.** 

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## Purpose

This document seeks feedback on the decision-making criteria to be set in regulations after the *Building* (Overseas Building Products, Standards, and Certification Schemes) Amendment Bill (the Bill) passes.<sup>1</sup>

The criteria set in regulations can relate to either the building product or groups of standards being considered for recognition or the overseas product certification scheme or standard certification scheme itself.

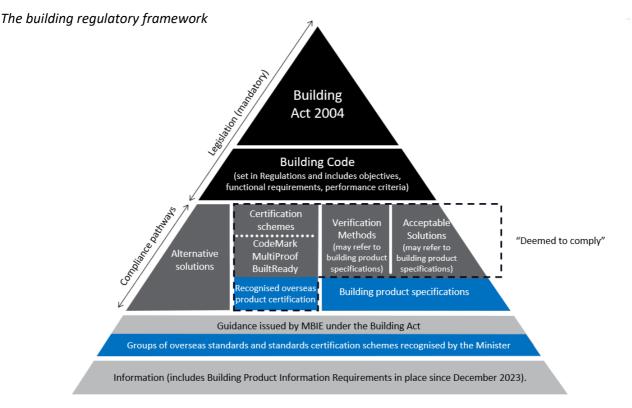
Without regulations, changes being introduced by the Bill cannot be implemented and the current regulatory barriers to using high quality overseas building products will remain.

# Background to the overseas building products regime

#### Changes to the Building Act are underway

Amendments are underway to make it easier to use quality overseas building products in New Zealand. Changes being made by the Bill are aimed at lowering the cost of building, providing greater resilience to supply disruptions, and improving New Zealand's supply of affordable housing. The Bill is expected to pass in quarter two of 2025.

The changes are designed to deliver the greatest benefit to New Zealanders by targeting all levels of the building regulatory framework (as shown in blue below).



<sup>&</sup>lt;sup>1</sup> <u>Building (Overseas Building Products, Standards, and Certification Schemes) Amendment Bill 76-1 (2024), Government Bill Contents – New Zealand Legislation</u>

#### Regulations are needed to implement the Bill

The Bill enables regulations to be made specifying criteria that the decision maker must be satisfied of before recognising:

- Building products: One or more (or groups of) building products or building methods that are certified under an overseas product certification scheme. Overseas certified building products recognised by the chief executive of the Ministry of Business, Innovation and Employment (MBIE) will be deemed to comply with the Building Code and must be accepted for use by building consent authorities (providing the products are used as intended and are supported by the required technical information).
- Standards: Groups of standards issued by overseas standards organisations, and standard certification schemes issued by a standards certification organisation. Standards recognised by the Minister for Building and Construction (the Minister) will provide guidance to designers, builders, building owners, and building consent authorities about what overseas standards could be considered for a specification of building products that will comply with the Building Code.

#### What are we seeking feedback on now?

MBIE needs industry input on the decision-making criteria to be set in regulations after the Bill passes.

MBIE's proposed decision-making criteria in this paper have been informed by two rounds of engagement on the overseas building products proposal:

- **Targeted engagement** in May 2024 with stakeholders including building product manufacturers, retailers and importers, industry peak bodies, products certification bodies, and building consent authorities. This engagement socialised proposals to remove barriers to overseas building products being used in New Zealand and tested a series of 'factors' which could be considered before the recognition of overseas standards and building products. The factors were broadly supported by most submitters. A summary of responses can be found on MBIE's website: Feedback from the sector.
- **Public submissions** on the Bill were accepted by the Transport and Infrastructure Select Committee from September to November 2024. Several submitters provided feedback on the content and importance of the regulations.

#### A third initiative is being consulted on separately

The Bill enables a new regulatory instrument called the Building Product Specification to be issued and published. Once fully implemented, this will contain all the building product specifications and standards that can be used with the Acceptable Solutions and Verification Methods to demonstrate compliance with the Building Code. MBIE will release a first draft of the Building Product Specification for public consultation after the Bill has passed, with the first Building Product Specification expected to go live in quarter three 2025.

## **Background to the current proposal**

#### Previous engagement on criteria

In the May 2024 targeted engagement, submitters broadly agreed the decision-making criteria should cover:

- the robustness of the product certification scheme or standards organisation
- the suitability of the building product or standard and its relevance to the New Zealand context
- the availability and usability of product certificates or standards
- whether building products or methods certified under a scheme would meet or exceed equivalent performance criteria in the New Zealand Building Code
- whether certified products have been subject to enforcement actions in New Zealand or overseas.

This feedback, along with considering the different impacts of enabling and prescriptive regulations (explained further below), has informed MBIE's current proposal.

## MBIE is proposing that decision-making criteria be more enabling than prescriptive

MBIE wants to ensure that the regulations are consistent with the overall objective of the overseas building products regime, which is to remove barriers to high quality overseas building products being used in New Zealand.

The desired outcomes of this regime are:

- improved supply of affordable housing
- increased flexibility and efficiency in the building consent system
- lower cost of building products
- strengthened competition in the building products market
- the supply chain is more resilient to disruptions
- promotion of innovation in building.

To achieve this, MBIE sees the dual objective of the regulations as:

- supporting an enabling recognition regime to allow access to a wider range of new and innovative building products, and
- providing the necessary safeguards to mitigate the risk of products being used that could result in or contribute to building failure.

We consider that this dual objective will be best achieved by using a mix of:

**Prescriptive criteria** which set out the precise inputs that must be used for criteria to be satisfied. More prescriptive criteria can provide:

- consistency in decision making by setting clear parameters for assessments
- more assurance and certainty for those using the building products on how they will perform once installed
- **clarity** for overseas manufacturers and suppliers on what is required of them.

**Enabling criteria** which describe an outcome or level of performance to be met but not how it must be achieved. More enabling criteria:

- reduces the likelihood of suitable schemes or organisations inadvertently being excluded from approval
- provides more flexibility for how an assessment is carried out, meaning assessments are not unnecessarily long or complex (and are therefore more costeffective).

There is a risk that overly prescriptive or inflexible criteria could be a barrier to recognising high quality overseas building products and standards that are fit for use in New Zealand. Alternatively, highly enabling criteria may not provide sufficient safeguards against unsafe or poorly performing products being used in our buildings. This could lead to increased defects or building failure, risking a potentially high cost for building owners who have relied on a recognised product.

MBIE's proposal contains a mix of criteria that is more enabling than prescriptive. While each comes with its own benefits, costs and risks, we think this hybrid approach will provide the best balance of achieving an effective, efficient, and flexible recognition regime that is also consistent and gives building system participants certainty and assurance that a product will perform as intended.

MBIE will produce operational policy and guidance to support the assessment process, this would include more detail on what could be considered when assessing more enabling or outcome-based criteria.

## **Proposed decision-making criteria**

#### Recognising overseas certified building products and methods

#### What is being introduced by this initiative?

has robust processes for

Currently, the Act enables the chief executive of MBIE to specify certifications of building products or building methods provided by persons outside New Zealand that are to be treated as product certifications in New Zealand (i.e. CodeMark). However, the criteria are restrictive, and the power cannot be used proactively or to recognise groups of products. Building consent authorities are also not required to accept specified certifications as evidence of compliance with the Building Code.

The Bill amends the Act to make it more flexible, efficient and effective for the chief executive to recognise building products (which may include building methods) certified under an overseas product certification scheme. It also enables the chief executive to make recognitions proactively as well as for groups of products, which is not currently possible.

Building products recognised by the chief executive under the amended power will be deemed to comply with the building code and must be accepted for use by building consent authorities (i.e. in the same way as a CodeMark certified product) providing they are used as intended and have the required supporting technical information.

#### MBIE's proposed decision-making criteria: Overseas certified building products

Criteria one: The certification scheme certifying the building products or methods:

<ul> <li>evaluating, assessing, and certifying building products or methods</li> <li>the ongoing monitoring and evaluation of building products or methods</li> <li>requires impartiality and independence between its certifiers and the products, product test facilities, manufacturers and suppliers</li> <li>requires that personnel involved in administrating the scheme operate to a high level of integrity and professional conduct.</li> </ul>		
Why this is important?	How could it be assessed?	
Robust certification schemes provide assurance that the product certificates can be relied upon and reduces the risk of product failure. The scheme must operate to the same or higher standard than New Zealand.	<ul> <li>Whether the scheme adheres to International Standard ISO/IEC 17065: Conformity assessment — Requirements for bodies certifying products, processes and services or similar.<sup>2</sup></li> <li>If the scheme does not adhere to ISO/IEC17065, a similar standard would need to be demonstrated. Consideration could be given to:         <ul> <li>Whether the accrediting body is part of a recognised code of practice such as the International Accreditation Forum, or similar.</li> <li>New Zealand's existing relationship with a product certification scheme and its accrediting body.</li> <li>Data on product performance and information on product testing, which should be accessible and transparent.</li> <li>Whether the certifier maintains an up-to-date public register of products certified, suspended, revoked.</li> <li>The process for revoking certifications/recalling products is clear and robust, including how consumers in New Zealand would be notified of any changes to the status of a product certification.</li> </ul> </li> </ul>	

<sup>&</sup>lt;sup>2</sup> ISO/IEC 17065 sets requirements for organisations that certify products, processes and services. It specifies criteria for the competence, consistent operation, and impartiality of certification bodies, covering aspects like their organisational structure, resource management, certification process, and management system requirements. Adherence to this standard would provide a high level of assurance that a scheme is robust.

	Criteria two: There is sufficient evidence to demonstrate the product certification's suitability in the New Zealand environment/context.		
Why is this important?	How could it be assessed?		
Not all products will be suitable for use in New Zealand's climate and environment. The certification process needs to be transferrable to our building system.	<ul> <li>The products' history of use in New Zealand or overseas jurisdictions with comparable climates/environmental conditions.</li> <li>If there are parameters around the use of the products (most certificates already specify intended use/limitations).</li> <li>If product testing reflects conditions similar to or harsher than the New Zealand climate/environment (i.e. seismic and UV testing where appropriate).</li> </ul>		
Criteria three: Building product performance criteria in the New	s or methods certified under the scheme would meet or exceed equivalent v Zealand Building Code.		
Why is this important?	How could it be assessed?		
Overseas certified building products recognised under this scheme will be deemed to comply with the Building Code, meaning they must meet or exceed New Zealand standards.	<ul> <li>Similarities or overlap between New Zealand's and the other jurisdiction's building codes.</li> <li>The jurisdiction's similarity with New Zealand's building regulatory systems.</li> <li>Whether the products are tested to the same or higher standard than New Zealand.</li> <li>Published product information (if available) or a self-declaration by the manufacturer on what Building Code clauses the product meets and the situations it can be used in.</li> </ul>		
	products and certification schemes have not been subject to enforcement Id or in other countries which could indicate a current increased risk of		
Why is this important?	How could it be assessed?		
This criteria is a safeguard against unsafe products being recognised.	<ul> <li>Checking records of building product warnings and bans in New Zealand and the origin country.</li> <li>Checking the certifier's register.</li> <li>Requesting information from the certification scheme.</li> </ul>		
<ul> <li>readily available and writte</li> <li>suitably detailed and techn</li> </ul>	es for the certified building products are: en using plain language nical to enable users of the product certificate to understand how the or building method will perform in relation to its intended use.		
Why is this important?	How could it be assessed?		
People need to be able to easily access and understand	<ul> <li>How the certificates compare to CodeMark and other certificates commonly used in New Zealand, ie if all the necessary information is</li> </ul>		

#### Questions about criteria for the recognition of overseas certified building products

- 1. Do you agree with each of the proposed criteria? If not, which ones need to be amended or removed? Please provide your reasoning.
- 2. Are there other criteria that are important? Please provide your reasoning.
- 3. Do you have any other suggestions for how the criteria could be assessed? Please provide your reasoning.

#### Recognising overseas standards and standard certification schemes

#### What is being introduced by this initiative?

The Bill enables the Minister to recognise groups of standards issued by overseas standard organisations or standards certification schemes issued by a standards certification organisation. Recognitions by the Minister may be considered by building consent authorities when determining compliance with the Building Code. Recognised overseas standards will simplify the consenting process by:

- providing guidance to designers, builders, building owners and building consent authorities about what standards from overseas standards organisations could be considered for a specification of building products that will comply with the Building Code
- removing the need for these groups to verify the adequacy of a standard or the robustness of a standards certification scheme and allow them to rely on what has been certified
- making it easier for any building product that has met an appropriate standard from a recognised jurisdiction to be specified in a building design.

#### MBIE's proposed decision-making criteria: Overseas standards

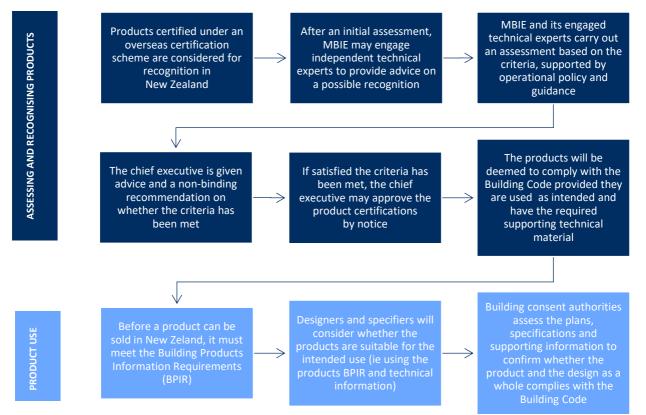
Criteria one: The overseas standards organisation that has issued the groups of standards and/or standards certification scheme has robust processes for the development and publication of standards.		
Why this is important?	How could it be assessed?	
Robust organisations provide a high-level of confidence in the standards it issues/administers.	<ul> <li>Whether the organisation is a member of International Organization for Standardization (ISO), or similar.</li> <li>If not a member of ISO or similar, consideration could be given to the organisations:         <ul> <li>Processes for development and publication of standards.</li> <li>International accreditation and global reputation.</li> </ul> </li> </ul>	
Criteria two: Any overseas standards/standard certification schemes issued/administered by the organisation are relevant to a New Zealand context.		
Why is this important?	How could it be assessed?	
We need to be sure that the standard is suitable for use in New Zealand and transferrable to our building system.	<ul> <li>Whether the standards issued align with New Zealand's expectations for building safety, durability, and performance.</li> <li>Similarity of the jurisdiction with the building regulatory systems in New Zealand.</li> </ul>	
Criteria three: The overseas standards are, or can be made, available and usable for New Zealand.		
Why is this important?	How could it be assessed?	
Standards need to be affordable, and easy to access and understand.	<ul> <li>If the standard can be made readily available (i.e. able to be accessed at a reasonable cost).</li> <li>Standards should use plain language and be easily understood.</li> </ul>	
Criteria four: Standards are frequently reviewed and updated. Product verifications remain valid for an appropriate length of time.		
Why is this important?	How could it be assessed?	
Regular review ensures standards remain relevant and fit for purpose.	<ul> <li>The frequency of review and updates compared to New Zealand standards.</li> <li>Whether there are other factors which make a longer review or verification period acceptable.</li> </ul>	

#### Questions about the criteria for the recognition of overseas standards and certification schemes

- 4. Do you agree with each of the proposed criteria? If not, which ones need to be amended or removed? Please provide your reasoning.
- 5. Are there other decision-making criteria that are important? Please provide your reasoning.
- 6. Do you have any other suggestions for how the criteria could be assessed? Please provide your reasoning.

## How the criteria will be used

The below diagram provides a high-level overview of the stages and roles that could be involved in a recognition process, using building products certified under an overseas certification scheme as an example.



MBIE currently seeks input from technical experts as part of the process for making of Acceptable Solutions and Verification Methods under the Act, and the Bill includes provisions to support MBIE to seek advice from technical experts as part of the process for implementing the initiatives in the Bill.

Before making a recognition, the chief executive would need to be satisfied that the assessment itself was robust, including that people with appropriate technical and building experience were engaged for the assessment and any conflicts of interests are stated and managed. The Bill provides that building consent authorities will not be liable for reliance in good faith on recognised certifications.

#### What if a recognition needs to be revoked?

If an overseas certified building product or group of standards or standard certification schemes is identified as no longer meeting the criteria for recognition in New Zealand, the notice can be revoked. MBIE's ongoing monitoring and evaluation of these schemes will include a process for the revocation of products or standards.

The Bill adds a new provision to enable the Minister to amend or revoke a notice recognising standards or a standard certification scheme at any time. The *Legislation Act 2019* provides that the power to make secondary legislation includes the power to amend, revoke, or replace the legislation (a product recognition notice by the chief executive is secondary legislation).

## Implementation

MBIE is considering what could trigger a group of products or standards being assessed and then how we should prioritise recognitions with our available resources. These processes will sit at an operational level. To help with our planning, we are keen to hear your thoughts on this.

#### **Questions about implementation**

- 7. What should be the trigger(s) for a recognition process to begin? For example, should MBIE proactively undertake recognitions based on feedback from industry on where the need is greatest, accept applications from overseas manufacturers or importers, or something else (or a combination of factors)?
- 8. Are there certain product certification schemes/types of building products which should be prioritised for recognition? Please provide your reasoning.
- 9. What types of standards should be prioritised for review? Please provide your reasoning.
- 10. How should MBIE prioritise carrying out assessments for recognitions? For example, should products with known supply or competition issues be prioritised, or something else?
- 11. Do you have any other comments about implementing the regulations?

### **Next steps**

**24 March to 17 April 2025:** Targeted engagement on decision-making criteria (this document). Feedback can be provided by completing the survey available here: <u>Online Survey: Overseas Building</u> <u>Products</u>.

**May 2025**: MBIE will analyse feedback on the decision-making criteria and provide advice on the content of the regulations to the Minister.



Mid-2025: Decisions on the final policy proposals taken to Cabinet for approval.



**Quarter three 2025:** New regulations in force. Overseas certified building products and standards can now be recognised for use in New Zealand.

Any questions relating to this document can be emailed to <u>building@mbie.govt.nz</u>, with the subject line "Overseas building products".