



COVERSHEET

Minister	Hon Chris Penk	Portfolio	Building and Construction
Title of Cabinet paper	Exploring options for self-certification of building work	Date to be published	29 October 2024

List of documents that have been proactively released

Date	Title	Author
September 2024	Exploring options for self-certification of building work	Office of Minister for Building and Construction
18 September 2024	Exploring options for self-certification of building work ECO-24-0199 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of confidential advice to government.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Exploring Options for Self-Certification of Building Work

Portfolio **Building and Construction**

On 18 September 2024, the Cabinet Economic Policy Committee:

- 1 **noted** that exploring options to broaden the use of self-certification in the building sector is part of a programme of work to deliver an efficient, competitive building regulatory system and reduce overall building costs, including initiatives for quicker and more efficient pathways for low-risk building work;
- 2 **noted** that an opt-in self-certification scheme in the building sector may help to reduce pressure on the consent system and reduce wait times for consent processing and inspections during periods of high demand;
- 3 **noted** that self-certification would remove or reduce the third-party review role of building consent authorities, and that it will be important to have other adequate mechanisms for detecting design and/or construction errors to avoid defects and building failure;
- 4 **directed** officials to explore policy options for a potential self-certification scheme;
- 5 **noted** that options for self-certification have not been narrowed and that further work will be undertaken to identify the scope of a potential self-certification scheme, which could:
 - 5.1 allow a broad range of building professionals be eligible to apply (both individual practitioners and accredited companies);
 - 5.2 require that participants meet specified eligibility requirements including being able to demonstrate an appropriate, specified level of competency and experience, and be trustworthy; and
 - 5.3 limit the type of work that can be self-certified to lower risk activities (i.e. work on a simple residential dwelling);
- 6 **noted** that further work will be undertaken to ensure the following three safeguards are improved when considering options to support a potential self-certification scheme:
 - 6.1 strengthened competency of building professionals;
 - 6.2 consumers have a remedy for non-compliant work;
 - 6.3 the capacity for careless or incompetent self-certifiers to be identified and subject to disciplinary action;

- 7 **noted** that if a potential scheme is progressed, it will require that those self-certifying will:
- 7.1 have in place strong quality assurance processes and systems;
 - 7.2 meet an ‘adequate means’ test to cover civil liabilities for non-compliant work;
 - 7.3 have proven processes to manage conflicts of interest and meet ‘fit and proper person’ requirements;
- 8 **noted** that officials will explore oversight mechanisms for a potential scheme, including appropriate powers to undertake proactive auditing and spot checks to monitor compliance;
- 9 **noted** that current registration and licensing regimes for building professionals (including complaints and disciplinary processes) and consumer protection measures are inadequate to mitigate the risk of building failure introduced by removing third-party assurance processes;
- 10 **directed** officials to undertake further work to identify:
- 10.1 where existing registration and licensing regimes for building professionals (including competency requirements and complaints and disciplinary processes) can be improved to ensure that they are fit for purpose to accommodate self-certification and other changes within the building control system;
 - 10.2 how consumer protection measures in Part 4A of the Building Act 2004 can be strengthened to accommodate self-certification and other changes and can provide the right supports for consumers to manage their risks and enforce their right;
 - 10.3 explore the role of insurance in relation to self-certification to ensure there are adequate warranties and insurance to support reduced building consent authority oversight, including whether there is an appetite for insurers to expand the current offerings in response to a self-certification scheme if there were the right conditions in place and how these might be achieved;
- 11 **noted** that the work on granny flats [CBC-24-MIN-0052] provides an opportunity to test self-certification on a smaller scale, and with less risk involved is there is there is less appetite for the risks associated with self-certification, or if the costs of establishing the scheme are prohibitive;
- 12 **noted** that decisions still need to be made about whether there will be a residual role for building consent authorities within the scheme.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Christopher Luxon
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Shane Jones
Hon Simeon Brown
Hon Erica Stanford
Hon Louise Upston
Hon Tama Potaka
Hon Penny Simmonds
Hon Chris Penk
Hon Nicola Grigg
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson
Simon Court MP

Officials present from:

Office of Hon Erica Stanford
Officials Committee for ECO