



Registered Master Builders Association of New Zealand Incorporated

Submission on Improving efficiency in the
inspection process: Increasing the use of Remote
Inspections and Accredited Organisations

November 2024

The Registered Master Builders Association submission on Improving efficiency in the inspection process: Increasing the use of Remote Inspections and Accredited Organisations.

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Ministry of Business, Innovation & Employment (MBIE) on *Improving efficiency in the inspection process: Increasing the use of Remote Inspections and Accredited Organisations*.

About Master Builders

The Master Builders represents over 3,000 commercial and residential builders and are the leading sector advocates on the built environment. Our members have been building the places where New Zealanders live, work, and play, since 1982.

Our sector is a key contributor to the New Zealand economy. For the year ended March 2024, the construction sector contributed 6.2 per cent of the country's real Gross Domestic Product (GDP) accounting to over \$17.2 billion¹. It also employed 294,100 people (or 10 per cent of the country's total workforce) in the year ended September 2024².

We are working hard to lead the change our sector needs by ensuring we have the regulatory systems and processes in place to build faster and better. We are supporting our members to grow their capability and business acumen to ensure a strong and healthy sector; to innovate and make the most of new technologies so we meet the climate change challenge; and to attract, train and retain skilled talent. We are proud to be New Zealand's best builders.

At Master Builders we are committed to transforming the sector and rebuilding our economy. We are focused on building better homes, communities and workplaces, and ultimately better lives for all New Zealanders. We want to ensure that the houses that we build now are well-built, accessible, affordable, and appropriate to the needs of our ever-changing society. We are building a better New Zealand.

Our members are supported on the ground by 23 branches across 6 regional hubs:

Branch hub	Serving
Auckland	Auckland, Northland, Coromandel
Midlands	Waikato, Tauranga, Whakatāne, Rotorua, Taupō
Central North Island	Taranaki, Whanganui, Hawke's Bay, Manawatū, Gisborne
Cook Strait	Wellington, Wairarapa, Nelson, Marlborough, West Coast
Canterbury	Canterbury, Ashburton, South Canterbury
Southern	Otago, Central Otago, Gore, Southland

¹ Statistics New Zealand – Infoshare: Gross domestic product – March 2024

² Statistics New Zealand – Infoshare: Household Labour Force Suvey – September 2024

1. Introduction

- 1.1 Master Builders supports the Government's recent announcements aimed at reforming the building construction sector to enable more affordable homes and a stronger economy. The focus on improving efficiency and consistency across New Zealand's building consent system is a significant step towards addressing the current challenges faced by the economy.
- 1.2 In the context of Reforming Building Consent Authorities (BCAs), the implementation of remote inspections presents a valuable opportunity to complement these reforms by:
 - 1.2.1 *Enhancing consistency – remote inspections can standardise inspection procedures across different regions, mitigating the inconsistencies currently observed among the 67 BCAs.*
 - 1.2.2 *Improving efficiency – by reducing the need for physical inspections can expedite the inspection process, aligning with the Government's goal to address the cumbersome consenting system that contributes to high building costs and delays.*
- 1.3 We support the implementation of remote inspections as an effective way to streamline the building consent process, boost efficiency and reduce delays.
- 1.4 By cutting down travel time, remote inspections allow for more inspection per day, greater scheduling flexibility, and fewer on-site disruptions. This is particularly beneficial for low-risk residential builds and regions with limited inspector availability, helping to bridge capacity gaps and ensure timely project delivery.
- 1.5 Overall, this approach aligns with Master Builders and the government's efforts to speed up construction, lower costs and enhancing housing supply outcomes.

2. The Role of MBIE as Regulator

- 2.1 Master Builders recognises the critical role of MBIE as the primary regulator of the building and construction sector in New Zealand. MBIE's responsibility to develop and enforce regulation is pivotal to ensuring that the industry operates efficiently while maintaining high standards of quality and safety.
- 2.2 We urge MBIE to ensure that the implementation of remote inspections aligns seamlessly with broader regulatory changes. Initiatives such as the proposed self-certification for trusted building professionals, and the reform of BCAs are key elements that must be integrated coherently.
- 2.3 A consistent and unified approach is essential to avoid fragmentation in the regulatory landscape and to maximise the potential benefits of these reforms.
- 2.4 We encourage MBIE to take a leadership role in aligning these initiatives, providing clear guidance and fostering ongoing collaboration with stakeholders. This approach will help streamline the consent process, reduce delays, boost overall sector efficiency and ultimately support the delivery of more affordable housing.

3. Key Considerations

- 3.1 While Master Builders is supportive of remote inspections, several important considerations must be addressed to ensure successful implementation:

Choice and Flexibility for Builders

- 3.2 Master Builders advocates for giving builders the choice to opt for remote inspections. Providing this option enables builders who are ready to embrace new methods without imposing it on those who prefer traditional approaches.
- 3.3 Mandating remote inspections as the default approach may not be suitable for all types of construction works, particularly complex or high-risk projects where on-site assessments may remain necessary for ensuring quality and safety.
- 3.4 We recommend a phased rollout where builders who undergo and complete specific training in remote inspection protocols can choose to utilise remote inspections. This approach will ensure consistency, build confidence in the process, and improve the overall efficiency of the inspection system.

Addressing Liability and Risk

- 3.5 Feedback from our members highlights apprehension about the risk of missed defects. Current feedback indicates that a lack of understanding about the existing liability framework contributes to hesitation within the sector.
- 3.6 It is important to emphasise that remote inspections do not alter builders' liability. We believe the current framework is clear: builders remain responsible for the quality and compliance of their work regardless of whether inspections are conducted in person or remotely. However, some builders hold the incorrect assumption that council inspections reduce their liability, which highlights the need for better education and training in this area.
- 3.7 To address these misconceptions and build confidence in remote inspections, we recommend prioritising education and training initiatives. These should focus on clarifying existing roles and responsibilities, reinforcing the principles of good practice, and ensuring that builders understand how remote inspections integrate with current frameworks. By improving awareness and understanding, the sector can foster trust in remote inspections and support broader adoption without undermining accountability or compliance.

Education

- 3.8 One of the primary challenges with the current inspection process is the variability in implementation across different BCAs. This inconsistency leads to delays and inefficiencies, as builders must navigate different requirements in different regions.
- 3.9 The successful rollout of remote inspections will require a dual focus: significant investment in technology and comprehensive training for both inspectors and builders. Without these elements, it will be challenging to achieve the consistent standards needed for industry-wide adoption.
- 3.10 Master Builders supports a coordinated, industry-wide effort to upskill professionals and build confidence in remote inspection tools. Investing in targeted training programs will not only enhance the quality and reliability of inspections but also streamline the process, resulting in greater efficiency across the sector.

- 3.11 It is essential that any investment in technology and training is aligned with the broader government reforms in the building and construction sector. Ensuring coherence with existing initiatives will help integrate these changes seamlessly, reducing the risk of duplication and creating a unified approach that supports the sector’s overall growth.
- 3.12 Additionally, we propose that MBIE establish a feedback loop to monitor the effectiveness of training and technology initiatives. Regular evaluation and adjustments will ensure the continuous improvement of these programs, helping to address emerging challenges and maintain industry confidence in remote inspection processes.

4. Options to increase the uptake of remote inspections and improve efficiency of inspection processes

Option One: Review remote inspections guidance, address failure rates and/or publish wait times (non-regulatory)

- 4.1 Master Builders supports this non-regulatory approach. However, we believe that, on its own, this approach will have very limited benefits.
- 4.2 To drive meaningful uptake and ensure the success of remote inspections, it is essential to supplement updated guidance with targeted education, training, and practical support for builders and BCAs.

Option Two: Require building consent authorities to have the systems and capability to conduct remote inspections

- 4.3 Master Builders supports the requirements for BCAs to develop the systems and capability needed to conduct remote inspections. This option establishes a strong foundation for the phased adoption of remote methods without mandating them as the default approach. It provides flexibility, allowing both BCAs and builders to opt for the inspection method that best suits the project’s needs, while setting the groundwork for broader future adoption.
- 4.4 We support a phased rollout of remote inspections, backed by comprehensive training for BCAs, inspectors, and industry participants. This gradual adoption will help build confidence in the technology and processes, reducing the risk of implementation issues.
- 4.5 We strongly believe that the discretion to opt for remote or on-site inspections should lie with the builder, rather than being mandated by the BCA. This builder-led choice will help ensure that the inspection method selected is the most appropriate for the specific circumstances of the project, enhancing accountability and reducing the likelihood of missed defects.

Option Three: Requiring building consent authorities to use remote inspections as the default approach to conducting inspections

- 4.6 While this option has the potential to deliver significant efficiency gains, we recommend a phased and gradual implementation. Introducing remote inspections gradually, supported by robust training and education, will help mitigate potential risks and ensure the sector is well-prepared to adopt this approach. Retaining a limited number of physical inspections during the initial rollout phase may be prudent to maintain confidence and safeguard quality.

- 4.7 As stated above, we strongly believe that the discretion to choose between remote and on-site inspections should remain with the builder, rather than BCAs. This ensures that the most appropriate method is selected for each circumstance, safeguarding quality and accountability.

Option Four: Create a new offence to deter deceptive behaviour (stand-alone or complementary option)

- 4.8 Master Builders supports measures to deter fraudulent practices in remote inspections.
- 4.9 In our view, the framework to address such deceptive behaviour already exists, but perhaps is not being enforced effectively.
- 4.10 Rather than introducing new categories of penalties, we believe the government should focus on increasing the severity of penalties for significant breaches, as currently under consideration. Strengthening enforcement and aligning it with existing structures will help maintain the integrity of the inspection process without adding unnecessary complexity or burden on builders who operate in good faith and adhere to industry standards.

5. Conclusion

- 5.1 Master Builders is committed to working collaboratively with MBIE and other stakeholders to improve the efficiency of the inspection process while maintaining high standards of building quality and safety.
- 5.2 We believe that a balanced approach, incorporating remote inspections as a part of a broader toolkit, will help achieve these goals.
- 5.3 In addition to the specific feedback provided above, Master Builders emphasises the importance of aligning any changes to the inspections process with broader regulatory reforms.
- 5.4 The current government's focus on improving productivity and efficiency in the building sector is welcomed, but it is crucial that these initiatives are implemented in a coordinated manner to avoid unintended consequences, such as increased costs or additional compliance burdens for builders.
- 5.5 We also urge MBIE to continue engaging with industry stakeholders throughout the implementation process, using feedback and data to make informed policy decisions.
- 5.6 We thank you for the opportunity to make this submission.

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