Submission Form

Testing proposals for regulations to support an opt-in self-certification scheme for entire simple residential dwellings

October 2025

The Ministry of Business, Innovation and Employment (MBIE) is seeking your feedback by **Tuesday 4 November 2025** on proposals for regulations to support the proposed self-certification scheme for entire simple residential dwellings (the scheme).

Thank you for taking the time to provide your feedback on these proposals, it is valuable to help inform our decision making.

INSTRUCTIONS

- The content of this document is provided In-Confidence. The regulations are currently under development, and MBIE is sharing these draft proposals so that we can test the feasibility and workability of them; they are not Government policy.
- This is targeted testing with the sector which has been provided to select groups. Please ensure responses are the authorised views of your organisation, not personal opinions.
- Please provide your answers to any or all the testing document's questions in the provided spaces below. Comments, further explanation and evidence to support your reasoning is valuable and appreciated. Examples of evidence include references to independent research or facts and figures.

Confidential information

- If your submission has any confidential information, please state so in your accompanying email. Clearly identify which part(s) you consider should be withheld and the ground(s) under the *Official Information Act 1982* that you believe apply.
- Please additionally indicate this in the provided space in the submitter information section below and on the front of your submission (eg the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
- Note that submissions are subject to the OIA and may, therefore, be released in part or full. The *Privacy Act 1993* also applies.

Submitting feedback

- Feedback must be provided by **Tuesday 4 November 2025**.
- Please return your feedback as a Microsoft Word document via email to building@mbie.govt.nz with the subject line:
    - **Entire Builds Self-Certification Regulations Proposals – October/November 2025**
- If preferred MBIE can meet with you to discuss your feedback.

SUBMITTER INFORMATION

We would appreciate it if you would provide some information about yourself and organisation to help us understand how different groups view the proposals for the regulations. Any information you provide will be stored securely.

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Organisation:	Master Builders

☒ MBIE will not be uploading submissions to its website. However, under the *Official Information Act 1982* submissions may be published. Please tick the box if you do **not** wish your name or other personal information to be included in any published information and explain below.

I do not want my submission placed on MBIE's website because… [insert reasoning here]

Please check if your submission contains confidential information

☐ I would like my submission (or identifiable parts of my submission) to be kept confidential and **have stated** my reasons and ground under section 9 of the OIA that I believe apply, for consideration by MBIE.

Scope of building work that can be self-certified

DEFINITION OF A SIMPLE RESIDENTIAL DWELLING

Refer to page two of the targeted engagement document to answer these questions.

An option for what the definition of a simple residential dwelling within the scheme is intended to capture has been identified

1. Do you agree with the scope we are proposing to capture with the definition? If not, why not and what would you change? (eg should certain building elements be specifically excluded such as internal gutters, parapets?)

   ☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

   Please explain your views.

   Master Builders supports the intent of introducing an opt-in self-certification scheme for low-risk residential dwellings. However, we believe the scope and definition require more clarity and flexibility to ensure the scheme is workable and can evolve over time.

   While starting with detached dwellings and a weathertightness risk score of ≤12 is a pragmatic first step, weathertightness is only one factor of overall risk. Structural complexity, design typology and material performance also influences build risk and should be incorporated as the scheme matures.

   We recommend MBIE:

   - Provide a clear timeline for implementation and the scheme over time to expand and include duplexes, terraces and more complex design once systems are proven effective.
   - Outline a defined revision process and triggers for review (e.g., number of certified builds completed, insurance/claims data and performance monitoring outcomes).
   - Explicitly state how the scope will be reviewed and adjusted in consultation with industry.

   The definition should strike a balance between risk mitigation and scheme viability. Too narrow a scope risks minimal uptake and limited impact, while too broad a scope too early could undermine consumer confidence.

2. Should the scope also include single storey duplex house builds with a weathertightness score no greater than 12 and an intertenancy fire wall in the garage(s)? Please explain your reasoning.

   ☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

   Please explain your views.

   Master Builders supports future inclusion of duplex dwellings and terraces once the scheme has demonstrated operational success and established confidence in its processes and oversight. Duplexes and terraces represent a growing proportion of new residential builds, and their inclusion would enhance the scheme viability and relevance.

However, we recommend MBIE adopt a phased approach, starting with detached dwellings as a proof of concept and expanding to duplex and terrace homes once the scheme is proven to deliver consistent quality outcomes. This would allow time for refinement of assessment processes and clear guidance to industry.

Importantly, some of our volume builders have told us they are more likely to engage with and participate in the scheme once the typologies are broadened.

3. Are the right factors considered in creating the definition? Does what we are proposing adequately consider all the factors? If not, why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

The factors outlined, scheme viability, risk management, simplicity and familiarity are appropriate. However, the interrelationship between these elements needs to be made more transparent.

In particular, we recommend MBIE:

- Clarify how the "simplicity" test will be applied to evolving building methods, such as prefabrication and modular construction.
- Ensure the definition encourages innovation while maintaining safety and standards.
- Use existing framework as the foundation, but allow room for future amendments.

4. Does the proposed scope of the definition achieve a reasonable balance between risk mitigation and scheme viability? If not, why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders supports the proposed balance in principle, but believes MBIE must ensure the scheme remains commercially attractive to reputable builders. Overly restrictive criteria could reduce participation and limit benefits to consumers.

We recommend MBIE:

- Publish a clear evolution roadmap showing when and how additional typologies will be considered.
- Establish a joint MBIE–industry review group to monitor implementation and make recommendations for staged expansion.

5. For house builders, how many houses that you built in 2024 would be within the scope we are proposing the definition capture?

N/A

Eligibility requirements

FIT AND PROPER TEST

Refer to page three of the targeted engagement document to answer these questions.

6. Do you agree with the proposed criteria for this test? If not, why not? Are there any additional criteria that you think should be included?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders supports the intent of the fit and proper test but considers the current proposal too broad and lacking in specificity.

There is also a risk of duplicating existing integrity checks already undertaken by established industry schemes and insurance providers.

We recommend MBIE:

- Include track record requirement, defined as a minimum period of compliant trading history and demonstration of consistent good conduct. The length and quality of the track record should be proportionate to the level of risk, for example, entities with a longer, proven history of compliance and performance could be eligible to self-certify more complex or higher-risk typologies as the scheme expands. This approach would reward responsible behaviour, incentivise continuous improvement and create a transparent pathway for builders to progress through the scheme.
- Recognise existing industry and insurance-based assessments, such as the Master Build Guarantee and FINZscore financial ratings, which already provide rigorous checks on financial stability and performance.
- Avoid duplication between MBIE's test and the due diligence process already undertaken by insurers and guarantee providers. Additional layers of assessment risk increase both cost and administrative burden unnecessarily.
- Ensure the test is proportionate, transparent and evidence-based rather than reliant on subjective interpretation.

We also note that the fit and proper assessment should not create barriers for capable, compliant builders. The focus should be on integrity, financial prudence and consumer protection.

7. Should this test also be applied to directors who are not involved in the day-to-day management of the entity?

☒ Yes ☐ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders supports extending the fit and proper test to company directors. Directors have statutory duties and play a key role in governance, culture and financial oversight. Including them could help strengthen consumer trust and accountability.

We recommend MBIE clarify:

- The frequency of re-assessment.
- Whether directors of larger building groups (like volume builders) will be assessed individually or at a group level.

ADEQUATE MEANS ASSESSMENT

Refer to page four of the targeted engagement document to answer these questions.

8. Do you agree with the proposed approach and criteria for assessing if an entity has adequate means? If not, why not and what would you change?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders supports a robust but streamlined approach to assessing financial adequacy. However, MBIE must clearly define the roles and responsibilities between itself, insurers and industry guarantee providers.

If a builder is already covered by a guarantee or insurance, the financial checks conducted by that provider should be accepted as meeting the adequate means requirement. Organisations such as Master Builders already undertake detailed solvency, credit and risk assessments before issuing cover, with ongoing monitoring to ensure sustained financial capacity.

Duplicating these assessments at the MBIE level would be unnecessary, costly and could deter participation in the scheme.

Instead, we recommend MBIE:

- Recognise pre-existing guarantee and insurance schemes that apply demonstrably robust solvency and risk management processes.
- Assess the provider itself, not each individual builder, ensuring the provider's assessment framework, governance and capital adequacy meet MBIE's expectations.
- Publish clear guidance on what constitutes "adequate means" and maintain a list of approved providers whose assessments are recognised for scheme purposes.

This approach would maintain consumer protection while ensuring the system remains efficient, consistent, and proportionate. It also support alignment across the sector, reducing regulatory friction and enabling participation by builders who already meet high financial standards through existing mechanisms.

9. Are there any additional requirements that you think should be included as part of this assessment to ensure confidence in the scheme and/or protect homeowners?

☒ Yes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders does not support adding further compliance obligation on builders. Instead MBIE's focus should be on ensuring whatever backup insurance or guarantee requirements are robust, credible and adequately capitalised to meet their obligations.

This approach would ensure consistency, protect consumers and reduce compliance across the system. Builders already undergo extensive vetting through these schemes, including financial solvency checks, track record reviews and ongoing monitoring.

To strengthen systemic confidence, we recommend MBIE:

- Work directly with major providers (e.g. Master Builders, and other guarantee or insurance entities) to understand and validate their assessment frameworks, rather than creating parallel processes.
- Confirm that providers have appropriate financial oversight measures in place, such as periodic independent audits and sound capital management practices, but avoid setting prescriptive financial thresholds that may not suit different business models.
- Rely on existing regulatory or prudential frameworks where applicable (for example, where insurance entities are already regulated by the RBNZ or FMA), instead of duplicating those controls.
- Encourage voluntary reporting and information-sharing on scheme performance and claims trends, so MBIE can maintain visibility of systemic risk without imposing new reporting burdens.
- Collaborate with industry and providers through a small technical advisory group to periodically review the adequacy of provider-level assessment standards and make adjustments as the scheme matures.

This balanced approach would ensure that MBIE's oversight focuses where it adds the most value, verifying that the systems and institutions underpinning the scheme are robust, while avoiding unnecessary duplication or costs at the builder level.

10. Do you see any aspects of the proposed approach acting as a barrier for potential applicants to the scheme? If yes, why?

☒ Yes ☐ No ☐ Not sure/No preference

Please explain your views.

The main barriers are duplicative requirements and unclear allocation of responsibility between MBIE, industry and insurers.

Without clarity, builders may face higher costs, extended approval timelines and uncertainty. To ensure uptake, MBIE should design the process to be efficient, predictable and proportional, especially during the schemes early stages.

COMPETENCY AND PROCESS REQUIREMENTS

Refer to page five of the targeted engagement document to answer these questions.

11. Do you agree with these requirements? If not, why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Master Builders supports the intent of the proposed process and system requirements but considers the current description too generic and open to interpretation.

"Processes and systems" can mean very different things depending on the builder's scale, business model and structure. Without further clarification, there is a risk of inconsistent application and uncertainty about what constitutes compliance.

To make the scheme workable and credible, we recommend MBIE:

- Work collaboratively with industry to clearly define what "adequate processes and systems" means in practice for entities of different sizes and risk profiles.
- Develop clear, outcome-based standards that describe the functions and results expected (e.g. traceability, recordkeeping, quality control), rather than prescribing how they must be achieved.
- Encourage the use of centralised or standardised systems where appropriate, particularly for recordkeeping and quality assurance.
- Establish a technical working group involving industry to co-design and test practical guidance before implementation.

In summary, Master Builders supports the direction of the proposal but stresses the need for clarity, proportionality and co-design to ensure the requirements are achievable and add real value rather than administrative burden.

12. What specific information do you think should be required to determine whether an entity has adequate quality assurance processes to self-certify their work, and why?

Please explain your views.

The proposed requirement for quality assurance systems is supported in principle but is currently too general and open to interpretation. "Processes and systems" can mean very different things depending on the size and nature of a business.

We recommend MBIE:

- Work directly with industry to define a clear and consistent quality assurance framework, setting out minimum requirements expected under the scheme.
- Establish a technical working group involving industry to co-design what "adequate quality assurance" means in practice.
- Ensure that quality assurance systems are scalable, recognising that small and large builders will adopt different approaches to achieve the same outcome.

- Encourage the use of centralised or standardised digital quality assurance tools (e.g. RAVE, Artisan, Zyte or equivalent), which can support consistent data capture, traceability and transparency across builds.

Defining clear expectations will give both builders and MBIE confidence that quality assurance systems are meaningful and auditable without being unnecessarily prescriptive.

13. What specific requirements would demonstrate an entity has adequate business and administration systems in place to support self-certification, and why?

Please explain your views.

Master Builders supports the need for robust business and administration systems but again emphasises that the proposal is too generic at this stage.

To make the scheme workable and proportionate, we recommend MBIE:

- Provide specific guidance on the core business processes expected (e.g. financial management, record keeping, dispute resolution, staff competency tracking).
- Avoid prescribing a one-size-fits-all systems. Instead, recognise that builders can demonstrate capability through existing tools or systems already used for insurance, accreditation, or guarantee purposes.
- Promote a centralised or shared digital system for storing certification and QA records to support long-term data consistency and reduce duplication.

This approach would create efficiency, improve compliance, and help MBIE monitor outcomes without imposing new layers of complexity or cost.

14. For home builders, would you need to improve or update your business processes to meet these requirements? If yes, at what cost?

☐ Yes ☐ No ☐ Not sure

Please explain your views.

N/A

15. For home builders, considering the eligibility criteria and proposed scope the simple residential dwelling definition, how likely are you to seek to become registered to self-certify?

Please explain your views.

At this early stage, most Master Builder members are likely to take a “wait and see” approach to the scheme.

While there is broad support for the intent, to create a faster, lower-cost pathway for trusted builders, the current proposals appear complex and potentially duplicative of existing systems and requirements.

Builders operating nationally or across multiple regions are concerned about adding additional administrative burden for what may initially apply to a narrow range of typologies and locations.

Participation will depend on the clarity, cost and proportionality of the final framework, as well as the confidence that the scheme delivers genuine efficiencies.

GENERAL COMMENTS

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

Master Builders support the Government's intent to create a more efficient and trusted regulatory pathway for proven builders. However, success will depend on clarity, collaboration and proportionality.

Additional key points for MBIE's consideration:

- The term "self-certification" is misleading and risks undermining public confidence. A potential description such as "Alternate consenting pathway for trusted builders" would better convey that this is as a regulated, vetted system, not self-approval.
- There is currently confusion about who is responsible for assessing "adequate means". If a builder holds and insurance or guarantee policy, the provider already performs rigorous solvency and capability checks. MBIE's role should focus on approving (and monitoring through regulatory authorities such as RBNZ and FMA) those providers, not reassessing builders.
- There is strong need for face-to-face engagement between MBIE and industry during scheme design and rollout. A technical working group should be established to co-design operational details, quality assurance standards and review processes.
- The scheme must apply consistent and transparent assessment criteria, with clear measures of competence, solvency and integrity to ensure only trusted and capable builders participate.
- The scheme will only succeed if it delivers real time and cost savings for builders and consumers while maintaining consumer protection. Overly complex requirements or duplicative checks would make participation cost-prohibitive and limit uptake.

Master Builders remains committed to working closely with MBIE to refine the framework, so it is practical, scalable and delivers genuine value, protecting consumers while rewarding high-performing, reputable builders.