
Consultation on: **Building (Overseas Building Products, Standards, and Certification Schemes) amendment Bill**

From: Wood Processors and Manufacturers Association

To: Transport and Infrastructure Committee

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Submission

Thank you for the opportunity to provide feedback on the Building (Overseas Building Products, Standards, and Certification Schemes) amendment Bill.

Wish to Be Heard

The Wood Processors and Manufacturers Association would appreciate the opportunity to be heard in relation to our submission.

As a general statement, we advise caution with advancement of this new legislation.

- 1.1 New Zealand and Overseas Building Standards are developed to meet the need in the country of origin and exist in an ecosystem of other standards, for example, Product Standards may reference manufacturing quality control and conformance standards and in turn be referenced by building standards defining the scope of the building the product may be used on in a safe manner.
- 1.2 The building standards associated with the product standard would typically set out requirements relating to the installation of the product. This relieves manufacturers and suppliers of the need to produce technical literature. When products are used outside of the country of origin, the context of the manufacturing standard is lost and the risk of the product being specified, installed or used incorrectly increases.
- 1.3 Taking a product Standard from an overseas jurisdiction in isolation from the surrounding standards should be done cautiously and carefully as any upfront savings will be negated many times over if the product fails and does not meet the performance requirements of the New Zealand Building Code.

- 1.4 If New Zealand 'recognises' an overseas product Standard and that overseas product Standard is faster and cheaper to produce than a NZ standard, market forces will ensure local NZ manufacturers either lose market share or shift to the overseas product Standard.
- 1.5 This is good reason to exercise caution as the effect of recognising the overseas product standard will not be limited to overseas product. Within a short period of time the local market may be supplying 100% newly recognised overseas product Standard.
- 1.6 Note: Local NZ manufacturers do not have the capacity or time to undertake any research to ensure an unfamiliar recognised overseas product Standard will meet a particular compliance benchmark or ensure the building it is installed in complies with the New Zealand Building Code. They are completely reliant on the Regulator, i.e. MBIE in this instance.
- 1.7 MBIE has no mechanism to measure the market share of new overseas product Standards and limited ability to monitor any issues or systemic failure.
- 1.8 It is unclear who will check that an overseas standard meets the NZBC, i.e. who is the 'watch dog', and we assume, as now, there will be no checks to ensure that the imported product conforms i.e. has been manufactured to the standard.
- 1.9 If an overseas product standard proves to be inadequate the cost of rectification will outweigh any cost saving to the homeowner.
- 1.10 The status of a product standard which is 'recognised' under this legislation is unclear. Is it "deemed to comply"? This is important as it provides certainty to suppliers and manufacturers. If it is not deemed to comply what status does recognition confer?
- 1.11 Liability settings for product suppliers and manufacturers are unclear. Recent court cases have found supply of a building product is not building work and therefore the ten-year long stop does not apply. We are unclear about the implications as this is still relatively new case law and simply make the case this amendment is an opportunity to limit or at the very least spell out the liability of product suppliers and manufacturers so that it can be priced.

Where is this risk and cost factored in?

- 1.12 Building Product Information Requirements (BPIR) is an ineffective and costly regulatory requirement which requires building product manufacturers and suppliers to publish compliance claims about the New Zealand Building Code performance of the building the product is finally installed within. The supplier or manufacturer of a building component can only make vague "contributes to" claims and it would be

naïve and unwise to rely on this declaration regime to ensure building products are fit for purpose.

Given these concerns, we provide some additional detail as follows.

2. With respect to timber

2.1 NZ Timber Standards have been developed to comply with the New Zealand Building Code, considering NZ climactic conditions, NZ building methods and the characteristics of timber commonly used in NZ.

3. The New Zealand Building Code is performance based

3.1 One challenge in assessing Standards equivalency is that most other countries including Australia do not have explicit durability requirements in their building control regime.

3.2 New Zealand has developed timber treatment standards to align with New Zealand Building Code durability requirements. Therefore, in the absence of a verification method the NZ Timber Treatment Standard (NZS 3640) as amended by B2/AS1 sets the benchmark for durability.

3.3 Treating timber (e.g. piles, retaining, decking, claddings, fascia and structural timber) ensures the timber component complies with the durability requirements in the New Zealand Building Code.

3.4 Treating structural timber provides important insurance against envelope failure. The current process for approval of preservatives in the NZ timber treatment standard relies on research testing undertaken by Scion, an organisation which is expert, independent & research based.

3.5 Overseas timber treatment standards were developed for the country of origin and are not required to achieve durability requirements equivalent to the NZBC.

3.6 Citing of timber treatment standards from other countries would potentially undermine the robust process used in NZ and may expose NZ consumers to structural and other timber, which is less durable and ultimately does not meet the NZBC.

3.7 Furthermore, NZ removed the option of solvent based treatment from solid structural timber because it was making timber workers and builders sick as it evaporated. The rate of flash-off indicated homeowners would also be exposed. This work to remove solvent-based treatment was led by the Dept of Building and Housing (pre MBIE) with support from industry.

3.8 Citing of overseas standards without knowledge of the whys and wherefores of NZ Standards will potentially lower the "insurance" provided by the NZ treatment

standard and potentially lead to expensive repair and replacement of timber components for the homeowner. This would outweigh any theoretical cost savings up front.

The Wood Processors and Manufacturers Association

About us:

The Wood Processors and Manufacturers Association (WPMA) was established in 2014 through a merger of the Wood Processors Association and the Pine Manufacturer's Association. We are a voluntary funded industry association with a strong focus on promoting wood as the heart of a future zero-carbon economy.

Our members are leaders in the New Zealand wood industry converting harvested logs into a wide range of products including sawn lumber, pulp, paper, panels, laminated products, mouldings, and engineered wood, through to the development of bioenergy solutions.

Total sales of industry products both domestically and globally in 2023 were approximately \$5 billion. The industry employs close to 30,000 staff, mostly in the New Zealand regions.

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