

BUILDING PERFORMANCE

Proposal for MCM scheme rules

CONSULTATION SUBMISSION FORM

Proposed rules for the Modular Component
Manufacturer Scheme

9 JUNE 2022



How to submit this form

This submission form can be used to provide your feedback on the Ministry of Business, Innovation and Employment's (MBIE's) consultation on proposed rules for the MCM scheme for modular component manufacturer.

Please send us your completed form by **5pm on 7 July 2022**.

When completing this submission form, please provide comments and reasons explaining your choices. Your submission may respond to any, or all of the proposed rules. Where possible, please include evidence to support your views – for example, references to independent research, facts and figures, or relevant examples.

Your feedback provides valuable information and informs decisions about the proposed scheme rules. We appreciate your time and effort in responding.

- You can provide your feedback by completing a survey online via www.mbie.govt.nz/have-your-say or
- You can download a form at www.mbie.govt.nz/have-your-say and either:
 - email the completed form to:
building@mbie.govt.nz with the subject line **'MCM consultation 2022'**, or
 - post it to:
MCM consultation 2022
Building System Performance
Building Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473, Wellington 6140
New Zealand

If you have any questions about the submissions process, please email us at building@mbie.govt.nz

Use and release of information

The information provided in submissions will contribute to MBIE's development of the MCM scheme rules. We may contact submitters directly if we require clarification of any matters in submissions.

Your submission will also become official information, which means it may be requested under the Official Information Act 1982 (OIA). The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it. If we receive a request, we cannot guarantee that feedback you provide us will not be made public. Any decision to withhold information requested under the OIA is reviewable by the Ombudsman.

Please set out clearly in the cover letter or email accompanying your submission if you have any objection to the release of any information in the submission and, in particular, which parts you consider should be withheld and reasons for withholding this information. MBIE will take such objections into account and consult with submitters when responding to requests under the OIA.

Private information

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information you supply to MBIE in the course of making a submission will only be used for the purpose of assisting in the development of the MCM scheme rules. Please clearly indicate in the cover letter or email accompanying your submission if you do not wish your name or any other personal information to be included in any summary of submissions that MBIE may publish.

Submitter information

MBIE would appreciate if you would provide some information about yourself in the section below. If you choose to do so, this information will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

Your name, email address, phone number and organisation

Name:	Nicholas Hill
Organisation:	Building Officials Institute of New Zealand (BOINZ)
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Phone number:	04 473 6002

- The Privacy Act 2020 applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions, or a summary of submissions received to MBIE's website at www.mbie.govt.nz. If you do **not** want your submission or a summary of your submission to be placed on our website, please tick the box and type an explanation 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 Official Information Act that I believe apply, for consideration by MBIE.

[insert response here]

Questions

Part 1: Preliminary provisions

Part 1 of the scheme rules sets out preliminary provisions, including relevant definitions.

1. Do you have any comments on the definitions in Part 1: Preliminary provisions?

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Part 2: Accreditation body requirements

Rules for the MCM accreditation body include a requirement to notify MBIE of any proposed limitations to a certification body's scope of accreditation; to conduct an audit on an accredited certification body if requested by MBIE (outside its usual surveillance cycle); and to provide MBIE with reports regarding its assessments, audits and investigations of certification bodies.

Rules have also been proposed to provide operational detail on how the accreditation body should review a certification body's policies, procedures and systems when undertaking a surveillance audit of a certification body.

2. Do you think the notification requirements will provide MBIE with appropriate oversight over the performance of accredited certification bodies? If not, what changes do you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

3. Are the surveillance audit requirements sufficient to ensure a certification body has correctly implemented the policies, procedures and systems required for the scheme? If not, what changes do you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

4. Do you have any other comments on the rules in this Part?

A query – the consultation document states that a MCMAB must conduct an audit on an accredited certification body if requested by MBIE (outside of the usual surveillance cycle). BOINZ supports this but is unable to identify what provision provides for MBIE to request this. Section 272K states that audits will be every 12 months, or

more frequent if specified under Regulation 26 (which relates to audits conducted for cause). Is MBIE able to advise what legislative provision provides for MBIE to request an audit?

Parts 3 and 4: MCM certification body requirements

Part 3 of the scheme rules contains proposed rules for MCM certification bodies including some of the operational detail needed to support the Building Act and the Regulations.

Part 4 covers the ongoing, detailed requirements that a certification body must continue to meet and maintain once accredited.

General requirements

5. Are the specified technical competencies clear and workable? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

The specified technical competencies are comprehensive but somewhat subjective. Who will determine whether someone is 'appropriately trained', has 'detailed current knowledge' and 'an understanding'? Will MBIE provide guidance on these?

6. Do you think the notification rules related to registration requirements provide MBIE with sufficient oversight over certification bodies?

Yes, I agree

No, I disagree

Not sure/no preference

-

7. Do you have any other comments on the rules in the general requirements section?

-

Evaluation

Pre-evaluation and risk assessments

8. Are the definitions of modular component type, sub-type, risk likelihood, and consequence (in Table 1) appropriate for use in the risk assessment? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

9. Are there any other factors you think we should add to Table 1 or any you do not think should be there?

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Preparing the evaluation plan

10. Do you agree with the proposed rule for developing an evaluation methodology?

Yes, I agree

No, I disagree

Not sure/no preference

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11. Is there anything you would change to this wording?

-

Evaluating the modular component manufacturer

12. Are the requirements for quality plans and quality management systems thorough enough? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

[insert response here]

13. Do you have any other comments on the rules in this section?

-

Nonconformities identified during evaluation

14. Are the three levels of nonconformity, required actions and timeframes for correction appropriate for evaluative purposes? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

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Conducting site audits

15. Is the rule relating to remote site visits clear and workable? If not, what do you suggest?

Yes, I do

No, I do not

Not sure/no preference

-

16. Is the rule relating to installation audits clear and workable? Do you have any suggested changes?

Yes, I agree

No, I disagree

Not sure/no preference

Evaluation report, review and certification decision

17. Do you have any other comments on the rules relating to evaluation?

-

Audits, surveillance and inspections

18. Do you think the required actions and timeframes for CARs are robust enough?

Yes, I agree

No, I disagree

Not sure/no preference

Our view is (based on Table 4) that the actions are ok, as they elevate non-conformance levels from minor through to major and then to critical if a CAR has not been closed out.

However, nowhere in the documents can we find specific timeframes listed for a 'Minor' CAR other than where the guidance indicates 'close-out is normally at the next annual audit'. This seems fine, but then moving to the 'Major' level they list a 7 days maximum. Again, no problem; if they don't reach this threshold limitation, the CAR must move to the 'Critical' level. At the 'Critical' level immediate corrective action is required, and further modular components production must cease. This is serious, as a suspension immediately impacts revenue.

If we do have a problem, it would be around a certifier (MCMCB) not being able to impose a time period for a CAR in a 'Minor' non-conformity situation. The reason being, a manufacturer may continually let the non-conformity slide and force a new CAR to be raised annually (see table 4 under 'Minor' item (a)). The only option the certifier has is to elevate to 'Major', which in the scheme of things may be heavy-handed. – Depends on how you look at it. We think a discretionary list of time frames would be better, e.g.,

- 3 months
- 6 months
- 9 months
- (12 months is the new audit)

19. Do you have any other comments on the rules in this section?

Is it clear when surveillance should occur?

Part 5: Modular component manufacturer certification requirements

The proposed rules for modular component manufacturers are designed so a manufacturer can demonstrate its ability to consistently manufacture modular components that will meet customer requirements and regulatory obligations.

20. Are the requirements for quality plans and quality management systems thorough enough? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

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21. Are the specified technical competencies required for a manufacturer clear and workable? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

Same comments as those we made on Question 5 – the competencies are comprehensive but subjective.

Part 6: Certified modular component manufacturer requirements

This Part covers the requirements for certified MCM's, which includes making sure that the modular components identified in its scope of certification continue to be manufactured in accordance with the quality plan and that the MCM's processes and quality management system are effectively implemented.

22. Do you agree with the proposed rules for quality plans and quality management systems? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

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23. Are the ongoing staff training and competency requirements clear and workable? If not, what changes would you suggest?

Yes, I agree

No, I disagree

Not sure/no preference

Similar comments to Question 5 – the competencies are comprehensive but subjective.

24. Do you think the requirements for written records and notifications provide sufficient oversight? Is there anything else you would suggest?

Yes, I agree

No, I disagree

Not sure/no preference

Appendix 1: The MCM scheme framework

25. Are there any other comments on the rules that you would like to add?

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Thank you again for your time in responding to this consultation.