

BuiltReady Scheme Guidance

GUIDANCE FOR BUILDING CONSENT AUTHORITIES, MANUFACTURERS,
AND PRACTITIONERS ON THE BUILTREADY MODULAR COMPONENT
MANUFACTURING SCHEME

DECEMBER 2022





Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

The BuiltReady Modular Component Manufacturer Scheme Guidance is produced by the Building System Performance branch.

This document is issued as guidance under section 175 of the Building Act 2004 (the Act) and may also be used in accordance with section 19(2)(b) of the Act.

While MBIE has taken care in preparing the document it should not be relied upon as establishing compliance with all relevant sections or clauses of the Building Act or clauses of the Building Code in all cases that may arise. This document does not contain legal advice and should not be relied upon as such. This document may be updated from time to time and the latest version is available from MBIE's website at www.building.govt.nz.

MORE INFORMATION

Information, examples and answers to your questions about the topics covered here can be found on our website: www.building.govt.nz.

DISCLAIMER

This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

ONLINE: ISBN 978-1-99-104177-7

DECEMBER 2022

©Crown Copyright

The material contained in this report is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status should be acknowledged. The permission to reproduce Crown copyright protected material does not extend to any material in this report that is identified as being the copyright of a third party. Authorisation to reproduce such material should be obtained from the copyright holders.

Contents

Contents

Purpose	5
Interpretation	6
Who is this guidance for?	7
Modular component manufacturing in Aotearoa New Zealand	8
Benefits of BuiltReady	9
Scheme regulatory framework	10
BuiltReady scheme rules	11
Roles and responsibilities	12
Ministry of Business, Innovation and Employment (MBIE)	12
Accreditation body	13
Certification bodies (MCMCBs)	14
Modular component manufacturers (manufacturers)	17
Building Consent Authorities (BCAs)	18
How does the BuiltReady scheme work?	20
BuiltReady certification	20
Registration	23
BuiltReady design and manufacture certification – what does deemed to comply mean?	25
Manufacture only certification – a streamlined pathway	27
Types of modular components	28
Manufacturer’s certificates	30
Manufacturer’s certificate accompanying a building consent application	30
Manufacturer’s certificate accompanying a code compliance certificate application	32
Liability	33
Building consent pathways using the BuiltReady scheme	36
Pathway 1: Building consent for a whole prefabricated building and manufacturer certified to ‘design and manufacture’.	40
Pathway 2: Modular components that are trusses, frames, panels or volumetric structures and manufacturer is certified to ‘design and manufacture’.	42
Pathway 3: Modular component that is a whole building with manufacturer certified to manufacture only	45

Non-compliance	48
Penalties for misrepresentation	53
Complaints and appeals	54
Complaints about a manufacturer	54
Appendix 1: Glossary	55
Appendix 2: The BuiltReady scheme framework	58
Appendix 3: Schedule 2: Content of manufacturer’s certificates for modular components	61

Purpose

Purpose

The intent of this guidance document is to support understanding of the BuiltReady modular component manufacturer scheme for building consent authorities, designers, builders, consumers, and scheme participants. It covers the relevant aspects of the *Building Act 2004 (the Building Act)*, the *Building (Modular Component Manufacturer Scheme) Regulations 2022 (the Regulations)*, and the BuiltReady scheme rules.

This guidance seeks to:

- act as a guide to the Regulations and scheme rules as they relate to the BuiltReady modular component manufacturer scheme
- outline how the scheme works and what the certification of a modular component manufacturer entails
- explain the roles and responsibilities of scheme participants and building consent authorities (BCAs)
- define modular components
- provide information on the compliance pathways and the consent process for those using the BuiltReady scheme
- explain the purpose and content of the manufacturer's certificates that a registered modular component manufacturer can issue and use as part of building consent and code compliance certificate applications
- detail the documentation that must accompany a manufacturer's certificate as part of a building consent or code compliance certificate application
- provide information on the consequences for non-compliance or misrepresentation
- provide definitions and explanations of key terms/concepts used in the Regulations and scheme rules.

Limitations of this guidance:

This document is a general guide to support BCAs and others involved in the BuiltReady scheme. While the Ministry of Business, Innovation and Employment (MBIE) has taken great care in preparing this guide, it provides guidance only and should not be used to establish all the requirements of the Building Act and Regulations on its own. Readers must refer to the Building Act, the Regulations and scheme rules as their primary source documents, and be aware that for specific situations or problems, it may be necessary to seek independent legal advice.

Interpretation	
Accreditation body	MCM certification accreditation body.
BCA	Building consent authority.
Building Act	<i>Building Act 2004.</i>
Building Code	New Zealand Building Code, Schedule 1 to the Building Regulations 1992.
Certification body	An accredited third-party organisation that evaluates modular component manufacturers for certification under the BuiltReady scheme.
Deemed to comply	As per section 19 of the Building Act, how compliance with the New Zealand Building Code is established. A manufacturer’s certificate issued by a registered manufacturer certified to design and manufacture modular components must be accepted by a BCA as establishing compliance with the Building Code.
ISO/IEC 17065	ISO/IEC 17065: 2013 Conformity assessment – requirements for bodies certifying products, processes and services.
Manufacturer	Modular component manufacturer (also known as an MCM).
Manufacturer’s certificate	<p>A certificate issued for a modular component by a registered manufacturer under section 272ZF of the Building Act either for the purposes of:</p> <ul style="list-style-type: none"> • section 45 of the Building Act (building consent application), or • section 92 of the Building Act (code compliance certificate application). <p>The certificate issued relates to the modular component’s compliance with the Building Code or relevant building consent.</p>
MCM	Modular component manufacturer (see: manufacturer)
MCM certification	Evidence of certification issued to a manufacturer by a certification body.
MCMCB	Modular component manufacturer certification body.
MBIE	Ministry of Business, Innovation and Employment.
Regulations	<i>Building (Modular Component Manufacturer Scheme) Regulations 2022.</i>
Section	Section of the <i>Building Act 2004</i> unless otherwise specified.

Who is this guidance for?

Who is this guidance for?

- BCAs, which must accept the modular components detailed on a manufacturer's certificate as New Zealand Building Code compliant (when used in accordance with the conditions on the manufacturer's certificate).
- Scheme participants, which include accredited and registered certification bodies, and manufacturers of modular components that hold current BuiltReady certification or registration.
- Manufacturers of modular components interested in applying for BuiltReady certification and registration.
- Other users including designers, builders, and consumers.

The Roles and Responsibilities section has more information about these groups.

What the law says:

The following legislation and regulations may be useful:

- [Building Act 2004](#)
- [Building \(Modular Component Manufacturer Scheme\) Regulations 2022](#)
- [BuiltReady scheme rules](#)

Modular component manufacturing in Aotearoa New Zealand

Modular component manufacturing in Aotearoa New Zealand

A high performing building and construction industry is crucial to Aotearoa New Zealand's economy and vital for delivering safe, healthy, and durable buildings for everyone.

Modular component manufacturing is an innovative and efficient method of constructing a building or parts of a building off site, away from where the building will be installed.

Off-site manufacturing approaches can deliver precise, repeatable, and consistent construction in a controlled environment, resulting in high quality products with few defects. Off-site manufacturing therefore has the potential to lift productivity, reduce building costs and delays and contribute to better environmental outcomes through a reduction in waste.

However, the current consenting system is not clear about how to treat building products and methods that do not align with traditional processes. Section 49 of the Building Act specifies that BCAs must grant a building consent if it is satisfied on reasonable grounds that the provisions of the Building Code would be met if the building work were properly completed in accordance with the plans and specifications that accompanied the application. For traditional building work, BCAs can rely on in-person site inspections, however, for off-site construction, in-person inspections during the manufacturing process can be impractical and create significant delays. Components are often manufactured some distance from where the component will ultimately be installed (off-site and even offshore), or manufactured products may arrive at a building site already enclosed, limiting the effectiveness of visual on-site inspections.



The building regulatory system needs better ways of dealing with these new and innovative construction methods and building components manufactured off-site. The *Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021* (the Building Amendment Act) introduced BuiltReady, a new voluntary certification scheme for modular component manufacturers.

Under the BuiltReady scheme, the entire prefabricated construction process from design (if applicable), manufacture, assembly, transportation, and installation on-site will be assessed and certified. Third-party inspections, audits and post-certification surveillance by an accredited certification body will ensure certified manufacturers are consistently producing modular components that meet the requirements of the New Zealand Building Code.

A manufacturer can apply for BuiltReady certification in one of two ways:

- **design and manufacture** – manufacture modular building components to a Building Code compliant design that the manufacturer has developed or adapted themselves

OR

- **manufacture only** – manufacture modular building components to a Building Code compliant design.

Accredited certification bodies (MCMCBs) and certified manufacturers will need to be registered by MBIE and comply with the requirements of that registration, which includes a fit and proper person assessment and for manufacturers, an adequate means assessment to ensure they can cover any civil liabilities that may arise in relation to the design (if applicable) and manufacture of its modular components.

Once certified and registered, a manufacturer may issue a manufacturer's certificate for the design (if applicable) and manufacture of its modular components. Manufacturer's certificates provide detail to BCAs to help them determine what parts of a building consent are covered by the BuiltReady certification and what they may need to inspect as other building work. If a manufacturer of modular components does not apply for certification in the BuiltReady scheme, they can continue to employ the standard building consent and code compliance processes.

Benefits of BuiltReady

Off-site manufacturing provides many benefits for Aotearoa New Zealand's building sector including the potential for shorter on-site build times, a reduction in health and safety incidents, reduced building costs and delays and better environmental outcomes through a significant decrease in on-site material waste.

BuiltReady provides additional advantages for manufacturers who become certified and registered in the scheme. Manufacturers certified to **design and manufacture** modular components in the scheme will have access to a deemed to comply consent pathway. A BCA will only need to assess and inspect non-modular building work such as foundations and site work, which could significantly reduce the consent processing time and associated costs.

For manufacturers certified to **manufacture only**, the building work required for the modular component does not need to be inspected prior to installation and on-site construction work. This may reduce the number of inspections a BCA will require as part of the building consent, providing a streamlined consenting pathway.

BuiltReady certification can also be used in conjunction with [MultiProof](#) and the [CodeMark](#) product certification scheme, both of which are deemed to comply pathways. For example, BuiltReady manufacture only certification used in conjunction with a Multiproof design for a whole building could reduce the consent timeframe to 10 working days.

The BuiltReady scheme also provides marketing advantages to certified and registered manufacturers as they can use the BuiltReady brand for marketing purposes. All registered manufacturers will also be listed on a publicly accessible register maintained by MBIE at www.building.govt.nz.

Scheme regulatory framework

Scheme regulatory framework

The BuiltReady scheme operates under the legislative framework provided by the *Building Act 2004, Building (Modular Component Manufacturer Scheme) Regulations 2022* (the Regulations) and the BuiltReady scheme rules (refer to Figure 1 below). The Regulations and scheme rules commenced on 7 September 2022.

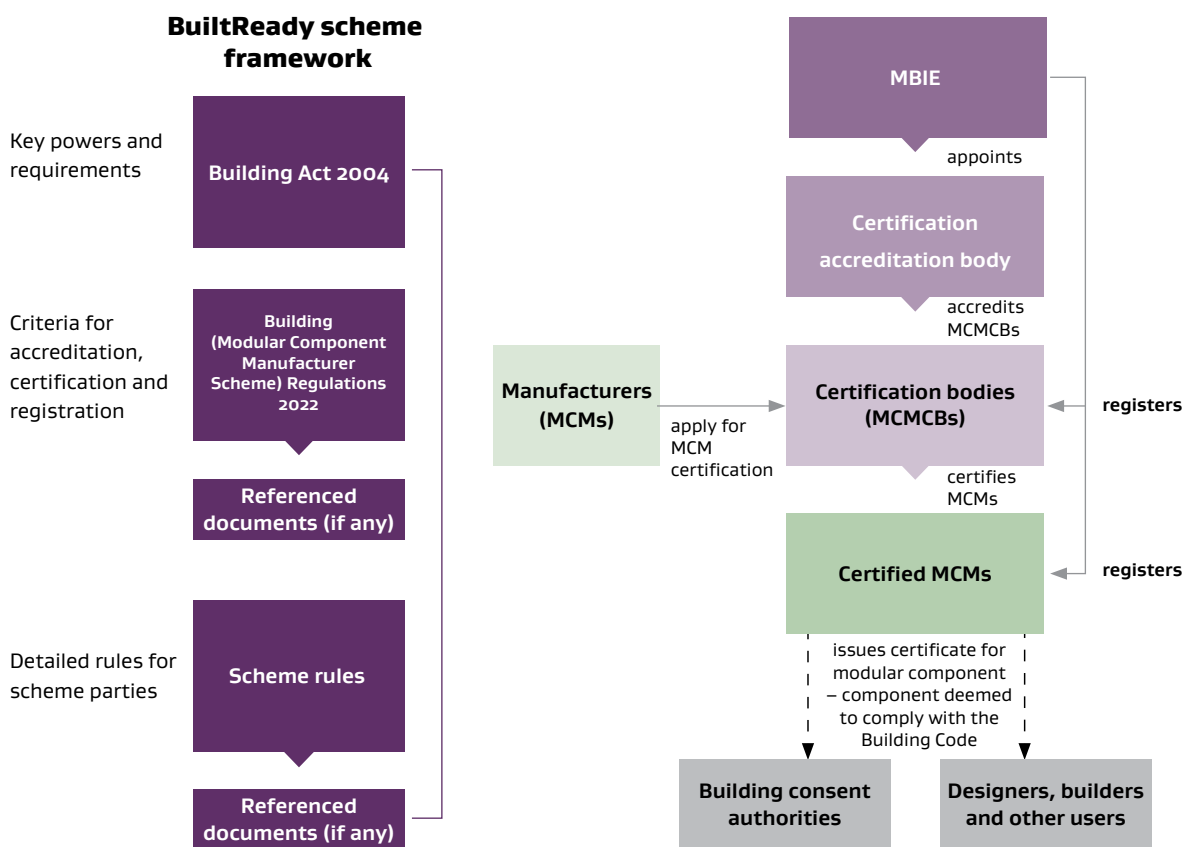


Figure 1: The system for managing modular component manufacturer certification

This legislative framework clarifies responsibility and potential liability in the event of a building or modular component defect and ensures that consumers and BCAs can have confidence in the scheme.

Appendix 2 provides more detail on the relevant requirements in the Building Act and the Regulations.

BuiltReady scheme rules

The [BuiltReady scheme rules](#) are secondary legislation made by the Chief Executive of MBIE. They are intended to align with the changes to the Building Act and Regulations, and to support their implementation by providing much of the operational detail for the BuiltReady scheme.

Both the Building Act and the Regulations requires scheme parties to comply with the scheme rules. Failure to do so could result in suspension or revocation of accreditation, certification, or registration.

The scheme rules apply to the scheme parties:

- the accreditation body
- accredited modular component manufacturer certification bodies (MCMCBs) whether or not they are registered
- certified modular component manufacturers (whether or not they are registered).

What the law says:

Section 272ZG of the Building Act specifies:

- that the Chief Executive may make rules for the operation of the scheme
- the definition of 'scheme party'
- what the scheme rules can cover, which includes rules about how the scheme parties are to perform their functions under the Building Act, how manufacturers are to be evaluated, resolution of disputes between scheme parties and procedural and administrative matters.

Regulations are made under section 402 of the Building Act.

The scheme rules may also supplement regulations made under section 402 with respect to:

- the accreditation body's accreditation of MCMCBs
- MCMCB's certification of modular component manufacturers
- information requirements for manufacturer's certificates.

Other key documents for the operation of this scheme include the international standard ISO/IEC 17065:2013 (*Conformity assessment – requirements for bodies certifying products, processes and services*), which is included by reference in the scheme rules.

Further documents supporting the BuiltReady scheme's day-to-day operation include the accreditation body's accreditation manual (if any) and arrangements with MCMCBs, and the MCMCBs' own commercial arrangements with their client manufacturers.

Roles and responsibilities

Roles and responsibilities

The Building Act, Regulations and the BuiltReady scheme rules outline the roles and responsibilities for all scheme parties, while providing detailed operational requirements for MCMCBs and modular component manufacturers.

Ministry of Business, Innovation and Employment (MBIE)

MBIE is the central regulator of the building sector. It is the administering agency for the Building Act, associated regulations, and certain secondary legislation (such as scheme rules).

As the BuiltReady scheme owner, MBIE (through the Chief Executive):

- oversees and manages the performance of the BuiltReady scheme
- appoints the accreditation body
- registers accredited MCMCBs
- registers certified manufacturers
- audits registered scheme parties
- can investigate registered scheme parties if required
- can suspend and revoke registration, accreditation or certification if required.



Chief Executive of the Ministry of Business, Innovation and Employment

The Chief Executive of MBIE has a range of roles and responsibilities under the Building Act regarding the BuiltReady scheme. They are summarised in sections 11 and 272I to 272ZH of the Building Act. The Chief Executive has delegated her role and responsibilities for these functions through to named individuals of MBIE that work in the building regulatory system. For the purposes of this Guidance document we refer to MBIE's Chief Executive.

The Chief Executive must audit registered MCMCBs and registered manufacturers at least once every three years and has the power to suspend and revoke registration if satisfied that a registered MCMCB or a registered manufacturer no longer meets the criteria for registration or has failed to comply with any scheme rules.

The Chief Executive can also urgently suspend (without prior notice) and investigate a registered MCMCB or a registered manufacturer if they have reasonable grounds to suspect that their conduct creates a risk of injury or death to any person, or a risk to public safety sufficient to justify the immediate suspension of registration.

What the law says:

Section 11 of the Building Act covers the following responsibilities of the Chief Executive of MBIE:

- can appoint an accreditation body for the scheme under section 272I
- can register MCMCBs under section 272N and manufacturers under section 272Y
- makes scheme rules under section 272ZG.

The Chief Executive also has the following powers under sections 272O, 272P, 272Z, 272ZA, 272ZD and 272S of the Building Act:

- audit registered MCMCBs and manufacturers at least once in every 3 years
- suspend the registration of an MCMCB or a manufacturer if they no longer meet the criteria for registration or have failed to comply with any scheme rules
- urgently suspend the registration of and investigate an MCMCB or a manufacturer.

Delegation of statutory powers and functions imposed or given to the Chief Executive is achieved pursuant to section 41 of the State Sector Act 1988. The MBIE framework for these statutory delegations means that the Chief Executive may sub-delegate powers or functions where appropriate, to named positions.

Accreditation body

A modular component manufacturer certification accreditation body (the accreditation body) is appointed by MBIE's Chief Executive and assesses an MCMCB against the criteria and standards set out in the Regulations and scheme rules, to determine whether a certification body should be accredited to the BuiltReady scheme.

The accreditation body:

- assesses, accredits, and monitors MCMCBs (including conducting audits)
- can suspend and revoke accreditation if required.

The accreditation body must conduct an audit of an accredited MCMCB at least once in every twelve months or more frequently if Regulation 26 applies (see below). When conducting an audit, the accreditation body must review any complaints received by the MCMCB since the previous audit.

The accreditation body is also required to provide MBIE's Chief Executive with a copy of each report prepared regarding an audit of a MCMCB. It must also notify the Chief Executive when it grants, suspends, lifts a suspension, or revokes accreditation of a MCMCB.

What the law says:

Section 272J of the Building Act specifies that the accreditation body may accredit an MCMCB if satisfied that they:

- can perform the relevant functions competently, impartially, consistently, transparently, and accountably; and
- have policies, procedures, and systems in place that—
 - will result in them performing their functions described above
 - comply with any requirements prescribed by the Regulations, and
 - comply with the scheme rules.

Regulation 26: audit conducted for cause

For the purposes of section 272K(1)(b) of the Building Act, an audit of an MCMCB is required to be undertaken by the accreditation body if the accreditation body has reason to believe that:

- there may be grounds to suspend or revoke accreditation under section 272L of the Act; or
- there may be reasons to lift the suspension of accreditation (following suspension); and
- the accreditation body is satisfied that an audit may provide significant information that will help establish whether:
 - the MCMCB no longer meets the criteria for accreditation; or
 - has failed to comply with any scheme rules; or
 - in a case where the accreditation of an MCMCB is suspended, MCMCB is likely to meet or comply with the accreditation criteria and any scheme rules in the future.

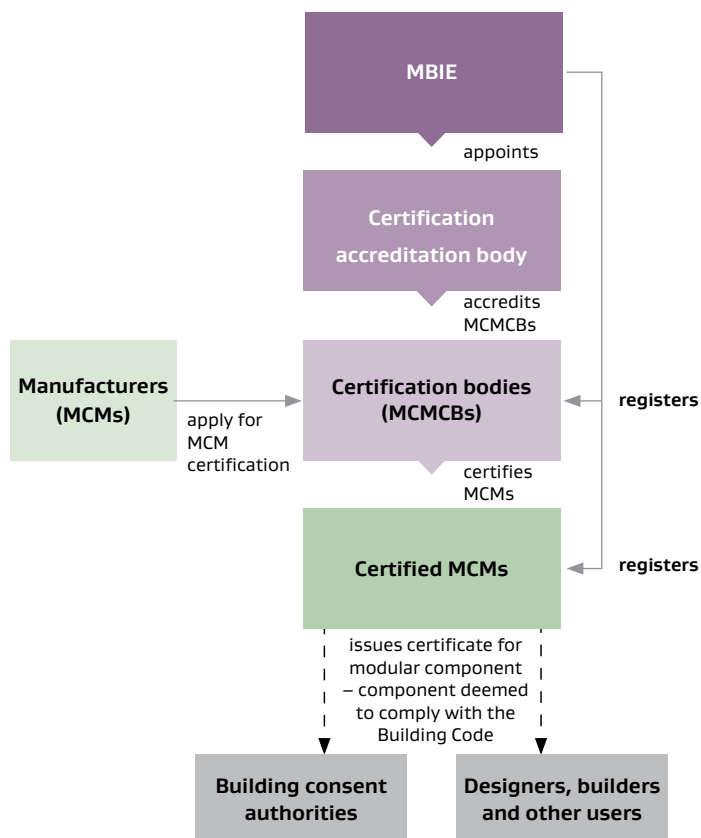
Certification bodies (MCMCBs)

MCMCBs are responsible for certifying manufacturers to design (if applicable) and manufacture modular components, which includes defining the scope, limitations, and conditions for certification.

MCMCBs:

- evaluate, certify, and monitor manufacturers
- issue evidence of certification (MCM certification)
- can suspend and revoke certification of a manufacturer.

An MCMCB must be accredited by the accreditation body and registered with MBIE before they can certify a manufacturer under the scheme:



To certify a manufacturer, an MCMCB undertakes a robust evaluation of the manufacturer’s quality management systems, design and manufacturing systems, and other processes, procedures and systems in accordance with the scheme rules and relevant requirements (eg the Building Act and associated regulations). Evaluation will also include a manufacturing site audit and installation inspections.

The MCMCB is responsible for ensuring that the certified manufacturer conforms to their scope of certification and continues to design (if applicable) and manufacture components to the same standards, levels, and quality to which it was evaluated, certified and registered. This is done through ongoing monitoring and surveillance activities including audits and inspections.

The Regulations specify detailed audit requirements including the ability to conduct an out-of-cycle audit if there are grounds to suspect the manufacturer is not meeting certification criteria.

What the law says:

Section 272V of the Building Act specifies that an MCMCB must audit a certified manufacturer at least once in every 12 months (or more frequently if Regulation 28 applies).

Regulation 27 specifies that a certification body must take the following matters into account in carrying out an audit:

- the outcome of any risk assessments undertaken by the MCMCB into the manufacturer's performance of its functions
- any complaints or other feedback that the MCMCB has received in relation to the manufacturer (including their performance of functions in a similar scheme)
- any other relevant matters the MCMCB think ought to be considered.

Regulation 28: audit conducted for cause

Regulation 28 requires an MCMCB to audit a certified manufacturer if there are grounds to suspend or revoke their certification under section 272W of the Building Act; or grounds to lift suspension (and more information is required to confirm).



Notifications

Registered MCMCBs must also:

- inform the accreditation body quarterly of the number and type of active manufacturer applications in its system, including the scope of these applications and anticipated audit and inspection timeframes
- inform MBIE once it has issued a MCM certification (ie certified a manufacturer)
- inform MBIE of any MCM certifications it has become the responsible MCMCB for
- inform MBIE if it suspends, lifts suspension, or revokes a manufacturer's certification
- provide MBIE with all relevant information to assist with any audit of a manufacturer's registration, or any decision whether to suspend or lift suspension if requested by the Chief Executive.

Modular component manufacturers (manufacturers)

Manufacturers who wish to join the BuiltReady scheme must apply to an MCMCB for certification and then, if successful, to MBIE for registration before they can utilise the streamlined building consent pathways under the scheme. Registered manufacturers can issue manufacturer's certificates for modular components that fall within their scope of certification.

What the law says:

Section 272ZF of the Building Act specifies that a registered manufacturer may issue a certificate for a modular component relating to its compliance with the Building Code or relevant building consent for the purposes of 1 or more of:

- sections 19(1)(da): consent application, manufacture and design of modular components
- section 45(1)(bb) or (bc): consent application, manufacture only
- section 92(3) or (3A): code compliance application.

A registered manufacturer must:

- design (if applicable) and manufacture, transport, and install modular components that comply with the Building Code
- continue to meet the requirements set out in the Regulations and scheme rules
- issue accurate manufacturer's certificates for modular components for which they have been certified
- notify their MCMCB of any changes that may impact their certification status
- notify MBIE and their MCMCB of any changes that may impact their registration.

As with MCMCBs, the Chief Executive of MBIE must audit a registered manufacturer at least once every three years. Any changes that may impact a manufacturer's registration status, particularly with respect to the adequate means assessment (eg change in manufacturing volumes) must be reported to MBIE regardless of the audit cycle.

If the change is significant, the adequate means of the manufacturer may need to be recalculated to ensure potential civil liabilities can be covered. It is possible that the reassessment of a registered manufacturer's adequate means may be undertaken on a more frequent basis during a manufacturer's initial years in the scheme.

Building Consent Authorities (BCAs)

BCAs are responsible for performing certain building control functions under the Building Act. These functions are summarised in sections 12 and 14 of the Building Act.

BCAs:

- assess whether a building consent application complies with the Building Code
- inspect building work
- check that completed building work been carried out in accordance with the building consent for that work
- issue building consents and code compliance certificates.

Under the BuiltReady scheme, a registered manufacturer will issue manufacturer's certificates for its modular components. These certificates will need to be included in building consent and code compliance certificate applications.

The *Building (Forms) Amendment Regulations 2022* accommodate the inclusion of manufacturer's certificates. **Form 2**, Application for the building consent and **Form 6**, Application for code compliance certificate both provide for a 'current manufacturers certificate' as a specified attachment to a building consent application and a code compliance certificate application.

[Building \(Forms\) Amendment Regulations 2022 \(SL 2022/175\) 6 Schedule amended – New Zealand Legislation](#)

BCAs must accept a manufacturer's certificate issued by a manufacturer certified to design and manufacture as evidence of compliance with the Building Code, provided the certificate is current and valid and the modular component is used in accordance with the scope and limitations as defined on the certificate. **This is a deemed to comply pathway.**

For a manufacturer's certificate issued by a manufacturer certified to manufacture only, BCAs do not need to inspect any work covered by the certificate for compliance with the building consent, although they must still assess the design and any work not covered by the certificate. **This is a streamlined consent pathway.**

This means a manufacturer's certificate may reduce the number of inspections that a BCA would usually require for building work. For example, for a building consent application accompanied by a manufacturer's certificate from a manufacturer certified to design and manufacture, the BCA will not assess the modular components specified in the manufacturer's certificate beyond how they will interact with other elements (such as foundations, connections to building services etc). Once building work has begun, the BCA will only need to inspect any building work not covered by the manufacturer's certificate.

For consent applications accompanied by a manufacturer's certificate, a BCA should:

- check the details of the manufacturer's certification on the MBIE register
- determine what inspections or third-party verification are required for on-site works and any work not covered by a manufacturer's certificate
- undertake required inspections
- process the code compliance certificate application with manufacturer's certificate and standard construction documentation (ie producer statements).

The detailed regulatory [guidance](#) on the BCA accreditation scheme available on the Building Performance website will also be revised so that BCAs fully understand their roles and responsibilities regarding the BuiltReady deemed to comply consent pathway. New performance indicators for competency and typical inspection types for modular components will also be included in the National Building Consent Authority Competency Assessment (the NCAS) to capture these new areas of knowledge.

For more detail on the consent process using the BuiltReady scheme, see the [building consent pathways](#) section of this guidance.

How does the BuiltReady scheme work?

How does the BuiltReady scheme work?

The BuiltReady certification scheme provides streamlined consenting pathways for registered manufacturers and is currently the only scheme in Aotearoa New Zealand providing a deemed to comply pathway for the design and manufacture of modular components.

BuiltReady certification

BuiltReady certification does not just cover the manufacture of modular components but the entire end-to-end process, including design (if applicable), transportation, storage, and on-site installation.

A manufacturer can apply for certification in one of two ways:

- **design and manufacture** – manufacture modular building components to a Building Code compliant design that the manufacturer has developed or adapted themselves

OR

- **manufacture only** – manufacture modular building components to a Building Code compliant design.



Certification focuses on the policies, procedures, and systems that a manufacturer has implemented to ensure that the design (if applicable) and manufacture of modular components is done competently and reliably to a standard that complies with the Building Code. The required policies, procedures, and systems required for certification include:

- a quality plan and quality management system
- documented manufacturing processes appropriate to scope of certification
- documented design processes appropriate to scope of certification (if manufacturer is applying for design and manufacture certification)
- employee and contractor systems, including competency and training requirements
- appropriate written records and complaints and disputes processes.

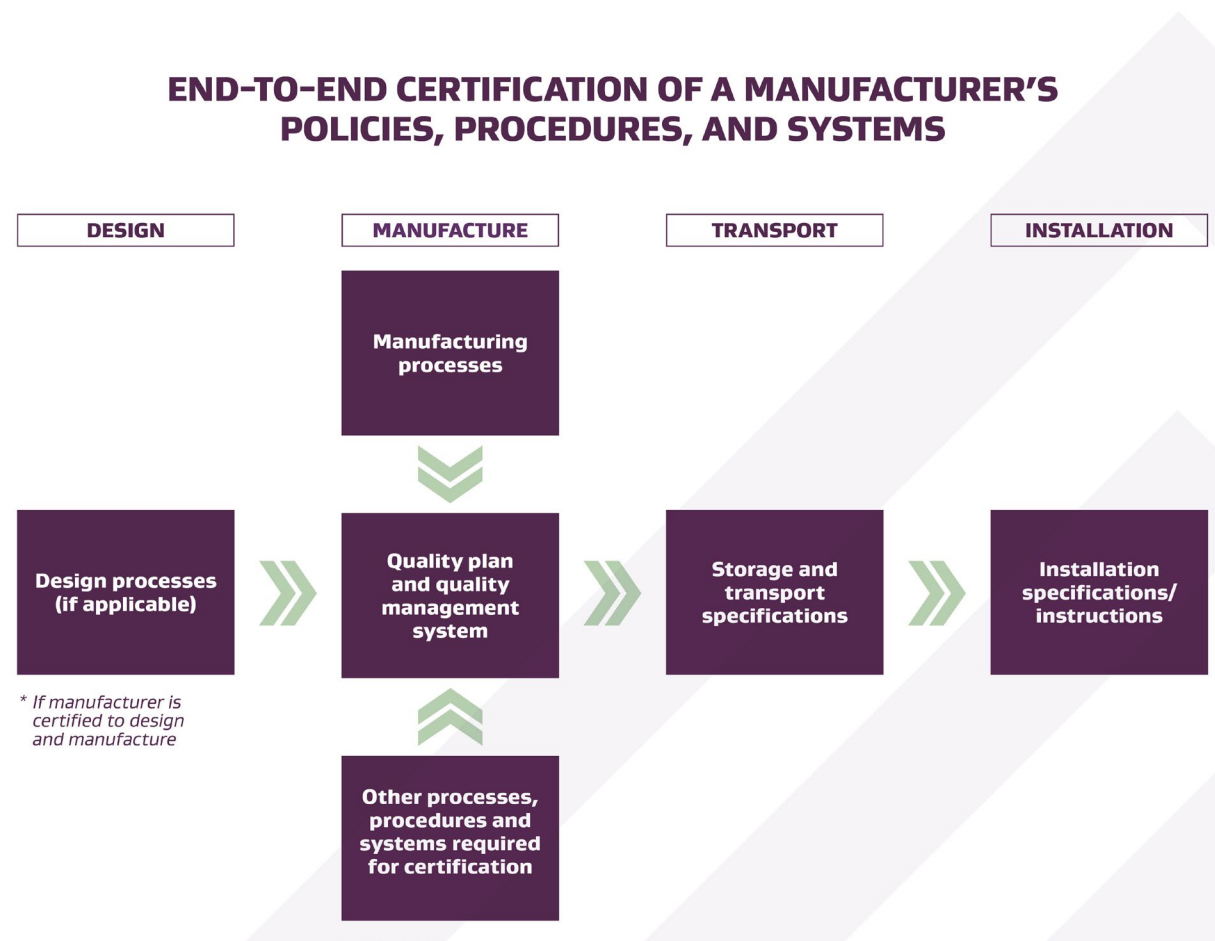


Figure 2: Policies, procedures, and systems covered by BuiltReady certification

Ongoing surveillance including audits and inspections will ensure scheme users and BCAs can have confidence that certified manufacturers continue to meet appropriate criteria and standards.

What the law says:

Section 272U of the Building Act specifies certification requirements. Before certifying a manufacturer, an MCMCB must be satisfied that they:

- can competently and reliably manufacture modular components of the type they are certified to manufacture to a standard that complies with the Building Code
- design modular components of the type (if any) they are certified to design to a standard that complies with the Building Code
- have policies, procedures, and systems that will result in them performing the functions described above
- have policies, procedures and systems that comply with the requirements prescribed by the Regulations and scheme rules.

The certification must specify:

- the kinds of modular components the manufacturer is certified to manufacture
- the kinds of modular components the manufacturer is certified to design (if any).

MCM certification

When a manufacturer is certified, the responsible MCMCB will issue a certificate of conformity (MCM certification), which is evidence that the manufacturer has met all relevant certification criteria. This certificate, which will be loaded onto the register of registered manufacturers on the Building Performance website (www.building.govt.nz), will specify the scope of certification as well as issue date and contact details.

An MCMCB will define a manufacturer's scope of certification according to the modular component types it produces, as well as any identified limitations or exclusions. For example, a manufacturer may be certified to design and manufacture prefabricated frames and panels, but their certification is limited to un-serviced components only (ie no electrical, plumbing or gas services). The scope of certification must also be recorded on the manufacturer's certificates issued by the registered manufacturer. Defining scopes of certification this way ensures that manufacturers are only certified to design (if applicable) and manufacture the specific kinds of modular components that have been assessed as being within their level of competency.

The minimum information that a MCMCB must include on a MCM certificate are detailed in the BuiltReady scheme rules and must include:

- whether the manufacturer is certified to design and manufacture or only manufacture modular components
- the type(s) of modular components the manufacturer has been certified to produce as defined by the Regulations (eg prefabricated volumetric structures)
- modular component sub-type detail (eg enclosed panels, electrical/plumbing systems)

Note: if certification is for a whole building component type, the building complexity level (as defined by the NCAS) must also be detailed in the certificate

- intended use (ie residential and/or commercial)
- any conditions or limitations of use.

Changing scope of certification

A manufacturer must operate within the scope and limitations set out in the MCM certificate issued by its MCMCB. If a manufacturer wants to make any changes to its scope of certification as defined on its MCM certificate, it must submit a new application to its MCMCB for evaluation.

Registration

Accredited MCMCBs and certified manufacturers need to apply to MBIE for registration before they can undertake functions within the scheme. An MCMCB cannot certify a manufacturer and a manufacturer cannot issue a manufacturer's certificate before they are registered. Registration provides MBIE with oversight of scheme participants, and it ensures that MCMCBs and manufacturers meet (and continue to meet) appropriate standards and can fulfil the requirements of the scheme.

MCMCBs

The registration process for an MCMCB includes a declaration regarding relevant conflicts of interest (including confirmation that the applicant has written procedures for transparently and appropriately managing any identified conflicts of interest) and a fit and proper person assessment.

Manufacturers

The registration process for a manufacturer includes a declaration regarding relevant conflicts of interest (as above), a fit and proper person assessment and an adequate means assessment.

Fit and proper person assessment

The fit and proper person assessment for a MCMCB and a manufacturer assesses the character and integrity, qualifications, professional conduct, and likely ability of the applicant to conduct business in a responsible and ethical manner. The assessment has also been designed to consider the history of the MCMCB or manufacturer and their conduct in the industry and in similar schemes.

The rationale behind this assessment is to assure both MBIE and consumers that MCMCBs and manufacturers who apply for registration in the BuiltReady scheme are likely to conduct themselves in a trustworthy manner, and that they have a well-established reputation for doing so.

The fit and proper person assessment takes the following into consideration when assessing the suitability of MCMCBs and manufacturers (including their key people):

- civil proceedings history
- relevant offences/convictions history
- history in similar schemes
- professional history
- financial management history
- conflicts of interest
- any other relevant factors.

Adequate means assessment for manufacturers

MBIE needs to have sufficient information to assess whether a manufacturer has adequate means to contribute to consumer protection in the case of an act of omission by the manufacturer. This is important because BCAs cannot be held liable for decisions they make in good faith regarding modular components manufactured by registered manufacturers. Manufacturers participating in the BuiltReady scheme therefore carry risk and the potential to incur significant civil liabilities if something goes wrong with one of their modular components. The adequate means assessment provides an indicator of the extent to which consumers will be protected in the event of defects or of something goes wrong.

The assessment incorporates a broad variety of factors because manufacturers will be designing (if applicable) and manufacturing different types of modular components to different scales and volumes. Therefore, the adequate means assessment for one manufacturer is unlikely to be the same as the assessment for another. The assessment would consider the following factors:

- organisational structure
- exposure to risk (types of modular components being designed and/or manufactured)
- risk identification and management (likely liabilities, amount and duration of each liability, and organisational risk management framework)
- transferred risks (eg through contracts, insurance, bonds, etc.)
- retained risks (what they are and how managed)
- financial status (accounts for the last two to three years plus two to three-year projections)
- any legal proceedings currently in progress.

More detail regarding registration requirements for both accredited MCMCBs and certified manufacturers can be found on the Building Performance website (www.building.govt.nz). For detail on how registration may be suspended (including lifting suspensions), or revoked, see the [Non-compliance](#) section.

What the law says:

Section 272N of the Building Act specifies that the Chief Executive may register an MCMCB if they:

- have been accredited by the scheme's accreditation body
- meet any required criteria and standards for registration
- pay the prescribed fee (if any).

Section 272Y specifies that the Chief Executive can register a manufacturer if they:

- have been certified by a registered MCMCB
- meet any required criteria and standards for registration
- pay the prescribed fee (if any).

Regulations 13-16 set out the following registration requirements for MCMCBs:

- information required for application
- information required for the fit and proper person test
- information relating to conflicts of interest
- other criteria and standards for registration.

Regulations 18-23 set out the following registration requirements for manufacturers:

- adequate means to cover civil liabilities in relation to design (if applicable) and manufacture
- information required for the adequate means test and fit and proper person test
- information required for application
- information relating to conflicts of interest
- other criteria and standards for registration.

Registers

All registered manufacturers will be listed on a public register on the [Building Performance](https://www.building.govt.nz) website (www.building.govt.nz). The register will also include the MCM certification issued to each manufacturer by the responsible MCMCB. Accredited and registered MCMCBs will also be recorded on a public register on the [Building Performance](https://www.building.govt.nz) website.

BuiltReady design and manufacture certification – what does deemed to comply mean?

When builders and designers are working on a building at any stage, they need to show that their work complies with the Building Code and the Building Act.

The building consent is the foundation document for any significant building project. It provides formal recognition that the building work, if built in accordance with the plans and specifications, meets the performance requirements of the Building Code. A BCA must grant a building consent if it is satisfied on reasonable grounds that the provisions of the Building Code would be met if the building work were properly completed in accordance with the plans and specifications that accompanied the application.

There are different pathways to comply with the Building Code, including alternative solutions and deemed to comply solutions. Deemed to comply methods are the easiest ways to ensure a building meets the performance requirements set out in the Building Code.

The Building Code regulatory framework is illustrated in the diagram below:

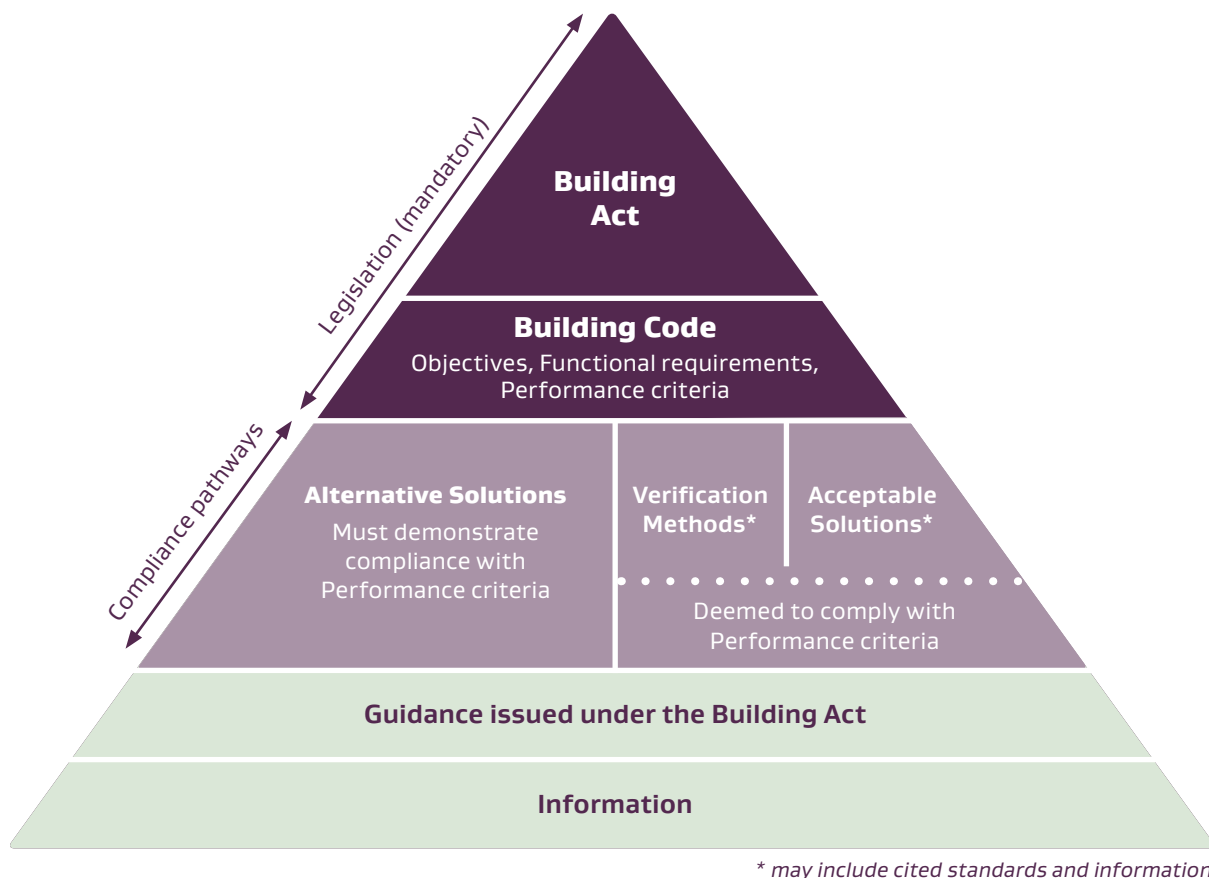


Figure 3: Regulatory framework showing some ways to comply with the Building Code

To issue a building consent, a BCA must accept evidence of compliance with the Building Code. Section 19 of the Building Act specifies that a BCA must accept any or all of the following as establishing compliance with the Building Code:

- compliance with regulations referred to in [section 20 of the Building Act](#)
- compliance with an acceptable solution
- compliance with a verification method
- a determination by the Chief Executive of MBIE (eg where there may have been a dispute about building work)
- a current national multiple-use approval (MultiProof) issued under section 30F, if every relevant condition in that national multiple-use approval is met
- registered product certificate (CodeMark) if every relevant condition in that product certificate is met
- **a current manufacturer's certificate issued by a registered manufacturer certified to design and manufacture (BuiltReady)**
- an energy works certificate issued under the regulations made under the Electricity Act 1992 or the Gas Act 1992 to show that that completed building work complies with the Building Code.

This means that a manufacturer's certificate issued by a registered manufacturer certified to design and manufacture under the BuiltReady scheme is evidence that the specified modular component is **deemed to comply** with the Building Code.

Manufacture only certification – a streamlined pathway

A manufacturer's certificate issued by a registered manufacturer certified to manufacture only under the BuiltReady scheme is not a deemed to comply pathway. However, it still provides a **streamlined pathway** as a BCA does not need to assess or inspect any work covered by the manufacturer's certificate (except where there are connections with site specific work), which could significantly reduce processing time.



Types of modular components

Types of modular components

This section provides examples of the different types of modular components as defined by the Regulations, and further detail on the scopes of certification that can be specified when a manufacturer applies for certification.

As terminology around off-site manufacturing and modular components can vary, the prescribed approach taken in the Regulations ensures that scheme participants and users are using consistent approaches.

What the law says:

Regulation 5 defines the meaning of a prefabricated product as a product that:

- is manufactured (in whole or in parts) off the site on which they are to be installed – although some on-site assembly or installation may be required; and
- is intended to be transported to another site for installation.

Regulations 8-10 apply for the purposes of the definition of modular component in section 7(1) of the Building Act. Modular components include elements of a building such as open frames and trusses, enclosed panels or units, volumetric structures, and whole buildings, and may include services such as plumbing, or electrical wiring. Modular components do not include non-structural building products or systems such as bathroom vanities, storage systems, or heating, ventilation, and air conditioning systems.

There are 3 main types of modular components:

Prefabricated frames and panels

Regulation 8 defines prefabricated frames and panels, which can include open frames or trusses, or enclosed frames or panels. They must be intended for use as, or contribute to the structural performance of, the roof, floor, or walls of a building. Examples include floor, wall and ceiling panels or cassettes, frame and truss, panelised building systems, and structural insulated panels (SIPs, or SIP panels).

Prefabricated frames and panels may also include mechanical, electrical, or other systems – for example, electrical, plumbing or gas-fitting services.

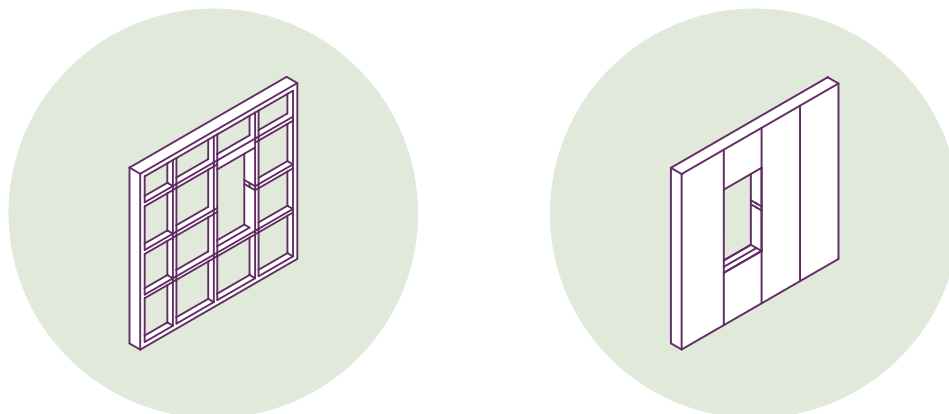


Figure 4: Prefabricated frames and panels

Prefabricated volumetric structures

Regulation 9 defines volumetric structures, which are three-dimensional products that comprise of one or more of prefabricated frame or panel products described above. They must be intended for use as or contribute to the structural performance of 2 or more of any of the roof, floor, floors, or walls of a building. Examples include laundry and bathroom pods, and types of modular units. They may also include mechanical, electrical or other systems.

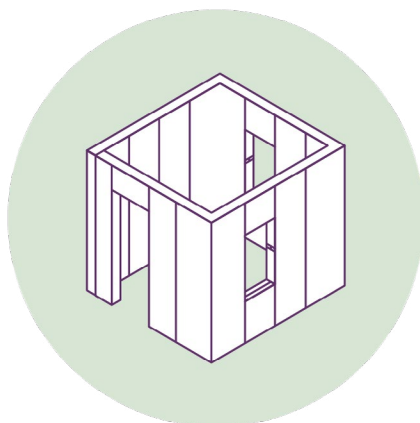


Figure 5: Prefabricated volumetric structures

Prefabricated whole buildings

Regulation 10 defines a modular component as a whole building that is prefabricated (ie manufactured off-site and transported to site location). A whole building excludes site work, such as foundations and connections to services.

In practice, a building could be constructed of more than one type of modular component (eg floor panels and volumetric structures). Modular components can also be used in conjunction with traditional building products and construction methods.

As a modular component can potentially contain different types of systems, products and may have different intended uses, these details will need to be discussed when a manufacturer applies to a certification body for certification.

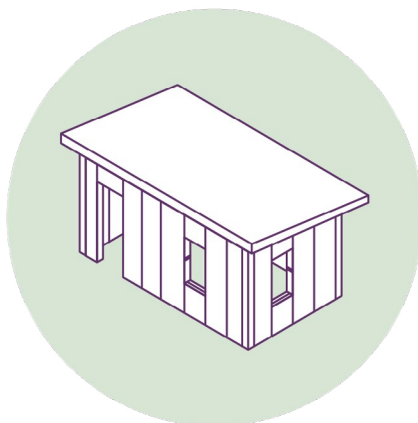


Figure 6: Prefabricated whole building

Manufacturer's certificates

Manufacturer's certificates

Manufacturer's certificates are primarily intended to be used by BCAs when processing a building consent as per section 45 of the Building Act, or a code compliance certificate application as per section 92 of the Building Act. Manufacturer's certificates provide detail to BCAs to help them determine what parts of the consent are covered by the BuiltReady certification and what they may need to inspect as other building work.

A manufacturer's certificate issued by a registered manufacturer is a first-party declaration of conformity. This means that the manufacturer is attesting that the modular component described in the certificate has been designed (if applicable) and manufactured according to the manufacturer's scope of certification. It also specifies that the manufacturer takes responsibility for the modular component.

Although they are termed 'manufacturer's certificates', it is important to note that they are not the same as the third-party certificate of conformity (MCM certificate) issued by an MCMCB. However, the certification details (such as scope) on both documents should match.

Different information is included in manufacturer's certificates issued at different stages of the building consent process. There are two main types of manufacturer's certificate:

- a manufacturer's certificate accompanying an application for a building consent (as per section 45 of the Building Act); and
- a manufacturer's certificate accompanying an application for a code compliance certificate (as per section 92 of the Building Act).

Manufacturer's certificate accompanying a building consent application

Registered manufacturers certified to design and manufacture modular components can issue manufacturer's certificates that cover both the design and manufacture of the modular component(s) included in the building consent. They will be deemed to comply with the New Zealand Building Code, and the BCA only needs to inspect building work not covered by the manufacturer's certificate.

Registered manufacturers certified to manufacture only will be able to issue manufacturer's certificates for the modular component(s) included in the building consent. The building design still needs to be approved by the responsible BCA, and any building work not covered by the manufacturer's certificate.

NOTE: A registered manufacturer should lodge the building consent with a BCA at the location of the proposed construction/installation site, not with a BCA where their manufacturing facility is located.

What the law says:**Section 45 of the Building Act specifies that an application for a building consent must:**

- be in the prescribed form; and
- be accompanied by plans and specifications that are—
 - required by regulations made under section 402; or
 - required by a building consent authority.

If the building work includes the use of a modular component and the applicant wishes to rely on section 19(1)(da) – design and manufacture:

- the application must be accompanied by a current manufacturer’s certificate for the component (*design and manufacture certificate*)

If the building work is the manufacture of, or includes the use of, a modular component and the component is to be manufactured by a registered manufacturer who is certified to manufacture it but was designed by someone else:

- the application must be accompanied by a current manufacturer’s certificate for the component (*manufacture only certificate*).

Key information requirements for a manufacturer’s certificate accompanying an application for a building consent are contained in Schedule 2 of the Regulations. [Appendix 3](#) details the content requirements as prescribed by Schedule 2. Key information includes:

- certification details including certificate number, issue date, scope of certification and description of the modular component
- registered manufacturer details, including legal and trading names, New Zealand Business Number (where applicable), contact details and internet link to information about the manufacturer’s complaints process
- responsible MCMCB details, including legal and trading names, New Zealand Business Number (where applicable), contact details and internet link to information about the MCMCB’s complaints process
- statement about audits that have taken place.

The information specified above provides assurance that the manufacturer is certified and registered at the time at which it issues the manufacturer’s certificate. A BCA can check these details on the register available on the Building Performance website and confirm that the modular component falls within the scope of certification detailed on the certificate.

The certificate also requires key information that supports the manufacturer’s declaration of conformity:

- *manufacturing specification*: a description of the processes to be used in the manufacture of the modular component
- *design specifications (design and manufacture only)*: a description of the design of the modular component that will support the intended use of the modular component
- *manufacture statement (manufacture only)*: a statement that the modular component will be manufactured, stored, transported to site, and installed according to the consented design; and will comply with the other details of the certificate **OR**

- *manufacture statement (design and manufacture)*: a statement that the modular component will be manufactured, designed, stored, transported, and installed according to the design specifications in the certificate, and will comply with the other details of the certificate
- *liability statement*: a statement that the registered manufacturer takes responsibility for the modular component in respect of which the certificate is issued
- *signatures*: the signatures of the registered manufacturer's authorised representatives.

This information provides a BCA with the information that the modular component will be designed (if applicable) and manufactured in accordance with the information provided in the certificate. It is important to note that the design (if applicable) and manufacturing specifications on a manufacturer's certificate have already been evaluated and certified by an MCMCB, so a BCA does not need to assess or inspect this work.

Sufficient information must be provided either on the manufacturer's certificate or through a secure online link (eg design details that cannot be included on the certificate) to enable the BCA to assess the compliance of the parts of the building consent application that are within their areas of responsibility. These could include foundations, connections to services, or connections between modular components and any conventional on-site construction.

Manufacturer's certificate accompanying a code compliance certificate application

When applying for a code compliance certificate for the completed building work, the registered manufacturer will issue a second manufacturer's certificate to accompany the application. This second certificate is a statement that the modular component has been designed (if applicable) and manufactured, transported, stored, and installed according to the specifications provided in the first manufacturer's certificate that accompanied the building consent application.

What the law says:

Section 92 of the Building Act specifies that an owner must apply to a BCA for a code compliance certificate after all building work to be carried out under a building consent granted to that owner is completed.

If the building work included the use of a modular component; and in granting the building consent, the building consent authority relied on section 19(1)(da):

- the application must be accompanied by a current manufacturer's certificate for the component (*design and manufacture certificate*)

If the building work was the manufacture of, or included the use of, a modular component and the application for building consent included a manufacturer's certificate under section 45(1):

- the application must be accompanied by a current manufacturer's certificate for the component (*manufacture only certificate*).

The list of information for a manufacturer's certificate accompanying an application for a code compliance certificate is contained in Schedule 2 of the Regulations. [Appendix 3](#) details the content requirements as prescribed by Schedule 2. Most of the information detailed in the manufacturer's initial certificate is also contained in the code compliance manufacturer's certificate. The main difference between a certificate lodged at the building consent application stage and the certificate lodged at the code compliance stage is the manufacture statement:

- *Manufacture statement (design and manufacture)*: a statement that the modular component has been manufactured, stored, **transported to site, and installed in accordance with the manufacturer's certificate issued at the building consent application stage**, except for any described variations (statement to include the certificate number of that certificate and to describe the variations if applicable).
- *Manufacture statement (manufacture only)*: a statement that the modular component has been manufactured, stored, **transported to site, and installed in accordance with the consented design and the manufacturer's certificate issued at the building consent application stage** (such statement to include the certificate number of that certificate).

This manufacture statement reaffirms the manufacturer's responsibility for the entire process from design (if applicable) and manufacture through to the correct installation on-site. For building work not covered by the manufacturer's certificate, standard construction documentation (eg producer statements relating to specifically engineered elements that are to be assembled or connected on-site, energy work certificates, plumbing and drainage test certificates that relate to the on-site installation) will need to be provided to the BCA as part of the code compliance application. This second manufacturer's certificate also confirms that the manufacturer's registration under the BuiltReady scheme is still current and valid.

Oversight of manufacturer's certificates

The responsible MCMCB and MBIE have some oversight regarding the manufacturer's certificates issued by registered and certified manufacturers. The scheme rules specify that:

- upon request, a manufacturer must provide its MCMCB copies of the manufacturer's certificates it has issued (within 5 working days of the request); and
- a manufacturer must notify MBIE and their MCMCB in writing of all manufacturer's certificates issued at the end of each quarter (within 20 working days at the end of the quarter)

Issuing inaccurate manufacturer's certificates could be grounds for suspension or revocation of certification. If there are any grounds to suspect this is the case (eg a complaint), a certification body may conduct a 'for cause' audit as per Regulation 28.

Liability

Manufacturer's certificates

Manufacturer's certificates are a fundamental way in which the BuiltReady scheme clarifies liability, as the Building Act specifies that a BCA is not liable for anything done or omitted in good faith in reliance on a manufacturer's certificate.

What the law says:

Section 392 of the Building Act specifies that no civil proceedings may be brought against a building consent authority for anything done or omitted to be done in good faith in reliance on any of the following documents:

- an acceptable solution or a verification method
- a determination made by the Chief Executive
- a current registered CodeMark product certificate
- **a current manufacturer's certificate for a modular component**
- a current national multiple-use approval (MultiProof)
- a code compliance certificate
- a certificate issued under any regulations made under the Electricity Act 1992 or the Gas Act 1992.

This means registered manufacturers are legally accountable for the statements they have made in their manufacturer's certificate. The adequate means component of the registration process is designed to ensure that a registered manufacturer has the means to cover any civil liabilities that may arise in relation to their design (if applicable) and manufacture of their modular components.

Any subsequent work or modification of an installed (and previously consented) modular component(s) will be the responsibility of the building owner. The manufacturer's certificate issued at compliance stage must have a statement that the modular component has been installed correctly, so any changes after this point will be the responsibility of the building owner (and will likely require a building consent).

Consumer Rights and remedies in relation to residential building work

Part 4A of the Building Act provides for consumer rights and remedies in relation to residential building work (which is essentially building work in relation to a household unit). **'Building work'** includes the manufacture of a modular component, and a **'residential building contract'** is defined to mean the following:

- (a) means a contract under which one person (the building contractor) agrees with another person (the client) to do building work for the client in relation to a household unit; but
- (b) does not include a subcontracting agreement between a building contractor and a building subcontractor; and
- (c) does not include an agreement that relates to the purchase from a registered MCM of a modular component that is a household unit where the purchaser of the modular component intends to on-sell it.

Pre-contract information and minimum requirements for residential building contracts

Because 'building work' includes the manufacture of a modular component, the requirements that relate to pre-contract information and minimum requirements for residential building contracts valued at \$30,000 or more apply to the manufacture of modular components where applicable. See sections 362D – 362G of the *Building Act and the Building (Residential Consumer Rights and Remedies) Regulations 2014*.

Implied warranties

The Building Act implies warranties into residential building contracts in Aotearoa New Zealand and provides remedies for breach of those implied warranties. Provisions relating to implied warranties can be found in sections 362H to 362P of the Building Act.

Defective building work under a residential building contract

Defective building work under a residential building contract is required to be remedied if notified within one year of completion. See section 362G of the Building Act for more details.

Exclusion of liability

The Building Act specifies some exclusions of liability for defects in a building or breach of warranty where there have been events not attributable to the fault of building contractor or on-seller. See section 362S of the Building Act for more details.



BuiltReady consent pathways using the BuiltReady scheme

Building consent pathways using the BuiltReady scheme

This section provides an overview of how the building consent process may work when the BuiltReady streamlined consenting pathways are utilised by registered manufacturers.

The standard building consent process still applies under the scheme:

1. application for a building consent
2. building consent processed by BCA
3. building consent issued by BCA
4. build commences
5. application for code compliance certificate after building work completed
6. code compliance certificate issued.

However, as the building work covered by a manufacturer's certificate does not need to be inspected prior to installation and on-site construction work, this path is streamlined. In some cases (eg design and manufacture components that are deemed to comply with the Building Code), an application for a building consent utilising the BuiltReady scheme may result in significantly reduced consent processing times and associated costs.

Restricted building work

Any work or design that alters the primary structure of a residential building (ie work that contributes to the resistance of vertical and horizontal loads) is restricted building work. The rules about restricted building work are part of a BCA's role in consenting and inspecting building work.

For traditional construction, each licensed building practitioner (LBP) who carries out restricted building work must provide a Certificate of Design Work or Record of Building Work. However, the law is different for manufacturers in the BuiltReady scheme. The *Building (Definition of Restricted Building Work) Order 2011* has been amended to specify that the order does not apply to building or design work carried out by a registered manufacturer in the course of designing or manufacturing a modular component off-site.

What this means is that a Certificate of Design and/or a Record of Building Work usually provided by the responsible LBP is not required for design and/or manufacture of modular components produced off-site by a registered manufacturer. The scheme rules require manufacturers to keep written records that demonstrate compliance with the scheme rules, relevant regulations, the Building Code and its own documented procedures throughout the duration of the certification to which they relate, and thereafter a further period of not less than 10 years. All relevant records related to LBP work by a registered manufacturer will therefore be part of the manufacturer's own quality management systems, ensuring there is a record of building work for that building.

Note that a Record of Building Work is still required for site works such as foundations/ subfloor framing and any work that falls outside what is specified in a manufacturer's certificate.

For more information on restricted building work, see: [Building Performance – Restricted Building Work \(RBW\)](#).

Building consent documentation required with a consent application using BuiltReady

The following table details the key differences regarding the required information that must accompany a consent application using the BuiltReady scheme:

Documentation required	BuiltReady variance to standard building consent application documentation
Building consent application form	Description of building work to clearly identify that a modular component is included within the application. Note: A registered manufacturer should lodge the building consent with a BCA at the location of the proposed construction/installation site, so any site-specific Building Code performance requirements and associated inspections can be determined.
Attachments	The manufacturer’s certificate should be identified within the attachment section of the application form: <ul style="list-style-type: none"> • Current manufacturer’s certificate(s) referred to in section 45(1)(bb) of the Building Act (<i>design and manufacture</i>) OR • Current manufacturer’s certificate(s) referred to in section 45(1)(bc) of the Building Act (<i>manufacture only</i>).
Means of compliance section	The means of compliance section of the consent application is only required to be completed for traditional building elements (where the manufacturer is certified for design and manufacture), as the design is deemed to comply.
Plans and specifications	Plan details to include additional building elements within enclosed panels that may affect future additions, alterations, or modifications to the building.
Certificate of Design Work (restricted building work only)	Where the registered manufacturer is certified to design and manufacture, the design of the modular component is deemed to comply. A Certificate of Design Work is required for elements of the building not covered by the manufacturer’s certificate issued by the manufacturer (eg foundations or, if modular component is not a whole building, the other elements of the building). For manufacturers certified to manufacture only, a Certificate of Design Work is required to be submitted for the design of the modular component.
Supporting documentation (1)	All applications that include a modular component from a registered manufacturer must submit a manufacturer’s certificate issued for the purpose of s45 of the Building Act.
Supporting documentation (2)	If, during the siting and construction of the modular component, on-site inspections are required to establish code compliance for the modular component (eg Chartered Professional Engineer (CPEng) confirmation of any design assumptions), these should be notified to the BCA as part of the consent application. The BCA will stipulate these on the issued building consent.
Supporting documentation (3)	If the design of the building (either whole or part building) includes a modular component that has been approved as part of a MultiProof certificate, this must be identified on the application and the MultiProof certificate submitted with the application.

As the modular component is deemed to comply with the Building Code, documentation such as producer statements are not required to be submitted as part of the building consent application, unless the manufacturer’s certification is for manufacture only, in which case producer statements (‘third-party verification of compliance’) will still be required.

Code compliance certificate documentation required with a code compliance application using BuiltReady

The following table details the key differences regarding the required information that must accompany a code compliance certificate (CCC) application using the BuiltReady scheme:

Documentation required	BuiltReady variance to standard building consent application documentation
Code compliance certificate application	The manufacturer’s certificate should be identified as an attachment on the application form: <ul style="list-style-type: none"> • Current manufacturer’s certificate(s) referred to in section 92 of the Building Act
Energy certificates (electrical and gas fitting)	Energy work that is undertaken off-site in relation to the modular component (ie at the manufacturer’s factory) is deemed to comply and no documentation is required to be submitted to the BCA. Energy work that is completed on-site in relation to certifying that the work connecting to an energy supply is safe, legal and complete is required to be provided to the BCA.
Records of Building Work (restricted building work only)	The installation of the modular component is covered by the manufacturer’s certificate and is deemed to comply with the Building Code. Records of Building Work are required to be submitted as part of the CCC application for building elements outside of the scope of the manufacturer’s certificate (eg foundations or if the modular component is not a whole building and requires on-site structural connections, weathertightness detailing etc). A Certificate of Design Work is required for elements of the building not covered by the manufacturer’s certificate (eg foundations).
3rd party verification	Records of any third-party verification activity that were identified as a requirement of building consent in relation to the installation of a modular component (eg producer statements and energy work certificates).
Supporting documentation (1)	All applications that include modular components from a certified manufacturer must include a manufacturer’s certificate issued for the purpose of s92 of the Act.

BuiltReady consent pathways

The BuiltReady consent pathways differ slightly depending on a manufacturer’s scope of certification and the modular component type that will be specified in the consent application. These pathways are detailed on the following pages.

Modular component manufacturers certified to design and manufacture

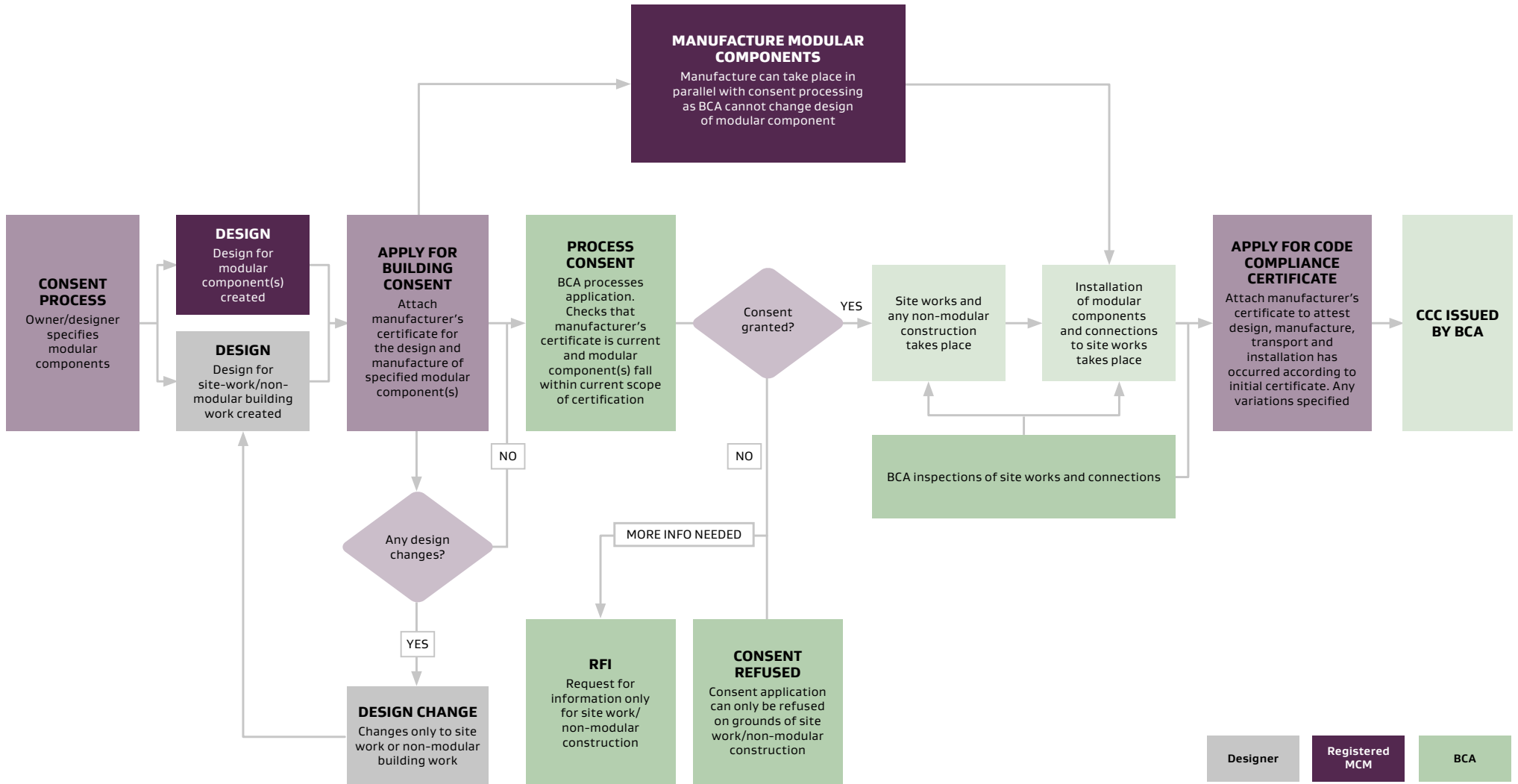


Figure 7: Responsibilities within the building consent and code compliance process for modular component manufacturers certified to design and manufacture

Pathway 1: Building consent for a whole prefabricated building and manufacturer certified to ‘design and manufacture’.

This pathway is for a whole prefabricated building that is designed, manufactured, and installed by a registered manufacturer certified to manufacture and design. In this case, the design and manufacture of the whole house (as specified on the manufacturer’s certificate) is deemed to comply with the Building Code. Building work that relates to site-work such as foundations, deck structures, service and utility connections are excluded and must be assessed for Building Code compliance through the standard BCA consenting process.

The statutory timeframe to process a building consent according to this pathway is reduced to 10 working days.

Pathway 1 Overview:

DESIGN	<ul style="list-style-type: none"> • Modular component design is deemed to comply, excluding foundations and service connections. • Restricted building work: building elements outside the scope of the manufacturer’s certification will require design by an LBP and a Certificate of Design Work to be submitted with the consent application for these elements. • Plans and specifications to include details relating to building elements within enclosed panels that may affect future alterations or modifications to the building. Elements within enclosed panels may include additional bracing or service panels. These may be identified through submission of shop drawings with the consent application. • Plans to be representative of what will be built on-site. The BCA requires sufficient detail within the plans as these are a record of what has been constructed and are required to be kept for the life of the building as they may impact on future building additions and alterations.
BUILDING CONSENT	<ul style="list-style-type: none"> • BCA will process the building consent application within 10 working days. • Where all information required as part of the building consent is not provided or the manufacturer’s certificate does not meet all requirements, the BCA may not accept the application or request further information. • BCA issues building consent including documentation requirements for code compliance certification (eg any third-party verification, energy work certificates and, if applicable, specified system information). • Submit building consent application documentation (see documentation section). • BCA to only assess aspects of the consent documentation related to foundations and service connections. • BCA to verify documentation supplied (plans and specifications) covers all aspects of the building.

<p>BUILDING CONSENT (CONTINUED)</p>	<ul style="list-style-type: none"> • BCA to check manufacturer’s certificate issued for the modular component to ensure: <ul style="list-style-type: none"> – it is issued by a registered manufacturer (check MBIE register) at the time of receiving the application; and – it is within the manufacturer’s scope of certification; and – the certificate contains all information referred to in Schedule 2: Part 1 of the Regulations including: <ul style="list-style-type: none"> › a statement that the certificate is issued for the purposes of section 45(1)(bb); and › statements related to manufacturing and installation with the design specifications within the certificate; and › the certificate is signed by the manufacturer’s authorised representative.
<p>MANUFACTURE</p>	<ul style="list-style-type: none"> • Manufacture of modular component(s) undertaken in accordance with BuiltReady certification criteria and in accordance with the approved building consent documentation.
<p>CONSTRUCTION / INSTALLATION</p>	<ul style="list-style-type: none"> • Traditional building work (ie foundations) can commence on-site in tandem or after the modular component has been manufactured. This work is subject to standard consent inspections (eg siting and foundation inspections etc). • Manufacturer will undertake transportation, traffic plans, storage and lifting of their modular components into position on-site. • Installation of the modular components will be undertaken by the manufacturer’s nominated installers in accordance with their quality plan. • Manufacturer to arrange for any third-party verification inspections required as identified on the issued building consent.
<p>CODE COMPLIANCE CERTIFICATION</p>	<ul style="list-style-type: none"> • Submit code compliance certificate application documentation to BCA. • BCA to check manufacturer’s certificate issued under section 92 for the modular component to ensure: <ul style="list-style-type: none"> – it is issued by a registered manufacturer (check MBIE register) at the time of receiving the application; and – it is within the manufacturer’s scope of certification; and – the certificate contains all information referred to in Schedule 2: Part 2 of the Regulations including: <ul style="list-style-type: none"> › any variations that have occurred during construction are described; and › the certificate is signed by the manufacturer’s authorised representative. • BCA issues code compliance certificate and compliance schedule (if relevant).

Pathway 2: Modular components that are trusses, frames, panels or volumetric structures and manufacturer is certified to 'design and manufacture'.

This pathway relates to modular components that make up part of a building, such as trusses, open frames, enclosed frames and panels and volumetric structures designed and manufactured by a registered manufacturer. The modular components (including their design) are deemed to comply. Only the traditional (ie non-modular) elements, and how they interact with the modular components are required to be assessed and inspected by the BCA to ensure they comply with the Building Code.

Pathway 2 Overview:

<p>DESIGN</p>	<ul style="list-style-type: none"> • Modular component design is deemed to comply. Note: Multiple modular components may be included within the design. • Restricted building work: traditional building elements within the building will require a Certificate of Design Work to accompany the building consent application. • Plans and specifications should clearly indicate how the traditional building elements fit and interact with the modular component included within the design. • Plans and specifications to include details relating to building elements within any modular component that are enclosed that may affect future alterations or modifications to the building. Building elements may include additional bracing or service panels. These may be identified through submission of shop drawings relating to the enclosed building elements with the consent application. • Plans to be representative of what will be built on site. The BCA requires sufficient detail within plans as these are a record of what has been constructed and are required to be kept for the life of the building as they may impact on future building additions and alterations.
<p>BUILDING CONSENT</p>	<ul style="list-style-type: none"> • Submit building consent application documentation (see documentation section). • BCA to only assess aspects of the consent documentation related to foundations and service connections, or any non-modular (ie traditional) building work not covered by the manufacturer's certificate. • BCA to verify documentation supplied (plans and specifications) covers all aspects of the building. • BCA to check manufacturer's certificate issued for the modular component to ensure: <ul style="list-style-type: none"> – it is issued by a registered manufacturer (check MBIE register) at the time of receiving the application; and – it is within the manufacturer's scope of certification; and

<p>BUILDING CONSENT (CONTINUED)</p>	<ul style="list-style-type: none"> – the certificate contains all information referred to in Schedule 2: Part 1 of the Regulations including: <ul style="list-style-type: none"> › a statement that the certificate is issued for the purposes of section 45(1)(bb); and › statements related to manufacturing and installation with the design specifications within the certificate; and › the certificate is signed by the manufacturer’s authorised representative. • Where all information required as part of the building consent is not provided or the manufacturer’s certificate does not meet all requirements, the BCA may not accept the application or request further information. • BCA issues building consent including documentation requirements for code compliance certification (eg in relation to the modular component, any third-party verification and if applicable, specified system information).
<p>MANUFACTURE</p>	<ul style="list-style-type: none"> • Manufacture of modular component undertaken in accordance with the manufacturer’s quality plan, within their certified facilities, and in accordance with the approved building consent documentation.
<p>CONSTRUCTION / INSTALLATION</p>	<ul style="list-style-type: none"> • Traditional building work can commence in tandem with the manufacture of modular components included in the design. • The manufacturer will undertake transportation, traffic plans (if required), storage and lifting of their modular components into position on-site. • Installation of the modular components will be undertaken by the manufacturer’s nominated installers in accordance with their quality plan. • Manufacturer to arrange for any third-party verification inspections required as identified on the issued building consent. • BCA will undertake traditional inspections identified on the issued building consent.

**CODE COMPLIANCE
CERTIFICATION**

- Submit code compliance certificate application documentation to BCA.
- BCA to check manufacturer's certificate issued under section 92 for the modular component to ensure:
 - it is issued by a registered manufacturer (check MBE register) at the time of receiving the application; and
 - it is within the manufacturer's scope of certification; and
 - the certificate contains all information referred to in [Schedule 2: Part 2 of the Regulations](#) including:
 - › any variations that have occurred during construction are described; and
 - › the certificate is signed by the manufacturer's authorised representative.
- Traditional building elements to be signed off by BCA as part of its inspection process including receipting of supporting documentation (ie energy work certificates, specified systems compliance information).
- **Restricted Building Work:** Record of Building Work pertaining to traditional on-site building work should be provided to the BCA with the application for code compliance certificate.
- BCA issues code compliance certificate and compliance schedule (if relevant).

Pathway 3: Modular component that is a whole building with manufacturer certified to manufacture only

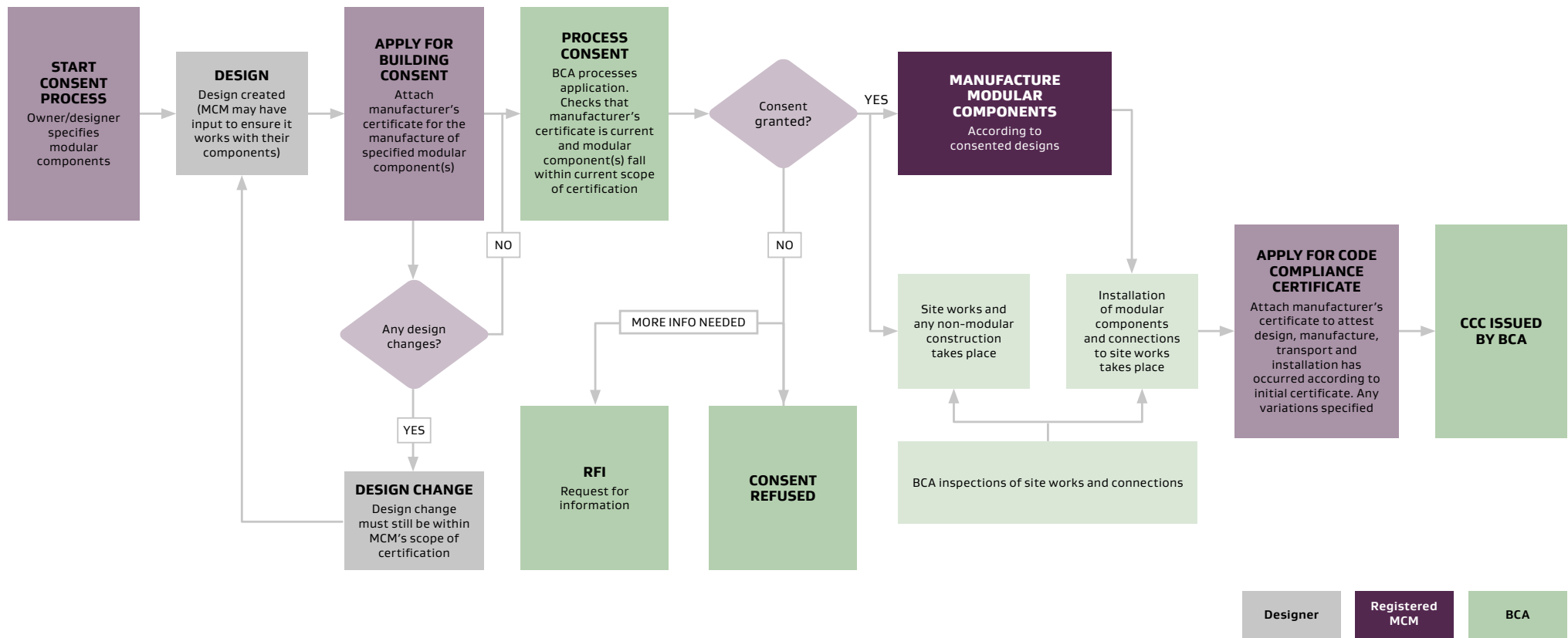


Figure 8: Responsibilities within the building consent and code compliance process for modular component manufacturers certified to 'manufacture only'

This pathway is for modular components where a manufacturer is certified to only manufacture under the scheme. No aspects of the design are included within their scope of certification and the design must therefore be assessed by the BCA to ascertain whether it complies with the Building Code. Parts of the design may be deemed to comply through other schemes such as MultiProof for whole buildings, or CodeMark for building products or methods contained within the overall design (if this pathway is used in conjunction with the MultiProof scheme for a whole building, the BCA consent timeframe is reduced to 10 working days).

Pathway 3 Overview:

<p>DESIGN</p>	<ul style="list-style-type: none"> • The design of the modular component is NOT deemed to comply under this pathway and the building design will need to be assessed by the BCA for Building Code compliance. • A MultiProof certificate may be used as a method of demonstrating compliance of the design where the design is for a whole building. • CodeMark product certificates may also be used to demonstrate compliance for any building products or methods used within the proposed building work. • Restricted Building Work: a Certificate of Design Work will be required to accompany the building consent application. • Plans and specifications relating to the modular component to include details relating to building elements within any enclosed panels that may affect future alterations or modifications to the building. Building elements may include additional bracing or service panels. These may be identified through submission of shop drawings relating to the enclosed panels with the consent application.
<p>CONSENT</p>	<ul style="list-style-type: none"> • Submit building consent application documentation (see documentation section). • BCA will assess the design of the building including the modular components to determine if it complies with the Building Code. • BCA to check manufacturer's certificate issued for the modular component to ensure: <ul style="list-style-type: none"> – it is issued by a registered manufacturer (check MBIE register) at the time of receiving the application; and – it is within the manufacturer's scope of certification; and – the certificate contains all information referred to in Schedule 2: Part 1 of the Regulations including: <ul style="list-style-type: none"> › a statement that the certificate is issued for the purposes of section 45(1)(bc) and › a statement related to manufacturing and installation according to the consented design; and › the certificate is signed by the manufacturer's authorised representative. • BCA issues building consent including documentation requirements for code compliance certification (eg in relation to the modular component, any third-party verification, energy work certificates and specified system compliance information).

<p>MANUFACTURE</p>	<ul style="list-style-type: none"> • Manufacture of modular component(s) undertaken in accordance with the manufacturer’s quality plan, within their certified facilities, and in accordance with the approved building consent documentation.
<p>CONSTRUCTION / INSTALLATION</p>	<ul style="list-style-type: none"> • Traditional building work can commence on-site in tandem or after the modular component has been manufactured and this is subject to standard consent inspections. • Manufacturer will consider and undertake transportation, traffic plans (if required), storage and lifting of their modular component into position on-site. • Installation of the modular components will be undertaken by the manufacturer’s nominated installers in accordance with their quality plan. • Manufacturer to arrange for any third-party verification inspections required as identified on the issued building consent. • BCA undertakes inspections identified on the issued building consent.
<p>CODE COMPLIANCE CERTIFICATION</p>	<ul style="list-style-type: none"> • Submit code compliance certificate application documentation to BCA. • BCA to check manufacturer’s certificate issued under s92 for the modular component to ensure: <ul style="list-style-type: none"> – it is issued by a registered manufacturer (check MBIE register) at the time of receiving the application; and – it is within the manufacturer’s scope of certification; and – the certificate contains all information referred to in Schedule 2: Part 2 of the Regulations 2022 including: <ul style="list-style-type: none"> › a description of any variations that have occurred during construction are described; and › the certificate is signed by the manufacturer’s authorised representative. • Traditional building elements to be signed off by the BCA as part of its inspection process including receipting of supporting documentation (ie energy work certificates, specified systems). For restricted building work, Records of Work pertaining to traditional on-site building work should be provided with the code compliance application. • BCA issues code compliance certificate and compliance schedule (if relevant).

Non-compliance

Non-compliance

There are a range of actions that may be undertaken where an MCMCB fails to comply with the accreditation or registration requirements, or where a manufacturer fails to comply with the certification or registration requirements set out in the Building Act, Regulations, or scheme rules.

MCMCBs – suspension or revocation of accreditation or registration

What the law says:

Section 272L of the Building Act specifies that the accreditation body may suspend or revoke the accreditation of a MCMCB if satisfied that they:

- no longer meet the criteria for accreditation in section 272J; or
- have failed to comply with any scheme rules.

The Chief Executive may exercise the powers of the accreditation body under this section.

Automatic suspension

An MCMCB's registration is automatically suspended if their accreditation is suspended under section 272P.

Suspension by Chief Executive

The Chief Executive may suspend an MCMCB's registration if satisfied that they:

- no longer meet the criteria for registration in section 272N; or
- have failed to comply with any scheme rules.

Section 272S specifies that the Chief Executive may urgently suspend an MCMCB's registration if the Chief Executive has reasonable grounds to suspect that they have:

- certified a manufacturer knowing that its modular components are likely to cause injury or death even if used in accordance with the manufacturer's instructions; or
- certified a manufacturer who does not meet the criteria for certification in section 272U; or
- otherwise failed to properly exercise their powers or perform their functions;
- and in addition to one of the above three grounds; that conduct creates a risk of injury or death to any person or a risk to public safety that is sufficient to justify the immediate suspension of the person's registration.

However, if the Regulations (in the case of registration or accreditation) or scheme rules (in the case of accreditation) are amended, and an MCMCB ceases to meet the accreditation or registration criteria solely as a result of those amendments, then accreditation or registration cannot be suspended or revoked until three months after the amendments come into force.

The suspension period must also allow an MCMCB reasonable time to meet the accreditation or registration criteria or rectify their failure to do so. In the case of suspension of accreditation of an MCMCB, the accreditation body must lift the suspension if satisfied that the MCMCB again meets those criteria or have rectified the initial failure. In the case of registration, the Chief Executive of MBIE must lift the suspension of a MCMCB's registration if satisfied that they again meet those criteria or have rectified the failure.

If the suspension is not lifted before the end of the suspension period, a MCMCB's accreditation and registration may be revoked. Registration is automatically revoked if:

- their accreditation is revoked or
- their registration is suspended, and the suspension is not lifted within 12 months after it was imposed (although if an application is made during that time to lift suspension and the application has not been decided within this time, the 12-month deadline is extended until the application is decided).

Urgent suspension of registration of a MCMCB

The Chief Executive can also urgently suspend the registration of an MCMCB if they have reasonable grounds to suspect that they have certified a manufacturer:

- knowing that its modular components are likely to cause injury or death even if used in accordance with the manufacturer's instructions or
- certified a manufacturer who does not meet certification criteria or
- failed to properly exercise their powers or perform their functions; and
- in addition to one of the above grounds, that conduct creates a risk of injury or death or a risk to public safety.



In these cases, the Chief Executive may suspend the MCMCB's registration without giving them prior notice. If an urgent suspension is imposed, the Chief Executive must investigate to determine whether the MCMCB has engaged in any of the conduct detailed above. On completion of the investigation, the Chief Executive must either lift the suspension, suspend, or revoke their accreditation, or suspend their registration.

An MCMCB's registration with MBIE is automatically suspended if their accreditation is suspended. Details of a suspension or revocation of accreditation will be published on the accreditation body website on the date of effect.

Suspension or revocation of registration will be detailed on the registers on the [Building Performance](#) website.

Disciplinary and investigative powers of MBIE

Any person who believes that there are grounds for disciplinary action against a registered MCMCB may lodge a complaint with the Chief Executive, who must decide whether to accept the complaint and take further action.

If the Chief Executive is satisfied after an investigation that there are grounds for disciplinary action, the Building Act outlines several potential courses of action including issuing a warning, requiring remedial action, limiting the functions that the MCMCB can perform, or suspending the registration of the MCMCB and the manufacturers it has certified.

What the law says:

Section 201 of the Building Act specifies that in the case of a registered MCMCB, there are grounds for disciplinary action if it has failed to comply with any scheme rules.

Section 202 specifies that a person who believes that there are grounds for disciplinary action against a disciplinable entity may lodge a complaint with the Chief Executive.

Section 203C specifies that if satisfied that there are grounds for disciplinary action, the Chief Executive may do one or more of the following:

- issue a warning to the respondent
- require the respondent to take specified remedial action
- impose limits on the functions that the respondent may perform under this Act.

If the grounds for the disciplinary action are that the MCMCB has failed to comply with scheme rules (201(d)), then either or both of the following:

- under section 272P(2)(b), suspend their registration
- under section 272ZA(2)(b), suspend the registration of any manufacturer for whom the MCMCB is responsible.

Manufacturers – suspension or revocation of certification or registration

The responsible MCMCB has the power to suspend or revoke the certification of a manufacturer if it has reasonable grounds to believe the manufacturer does not meet certification requirements or has not been audited within the last 12 months (the audit requirement above does not apply if the manufacturer has been certified for less than 12 months).

If a manufacturer has its certification suspended, registration will automatically be suspended, which means the manufacturer cannot issue any manufacturer's certificates during the period of suspension. It is the responsibility of a BCA to check the registration status of a manufacturer when processing a building consent or code compliance certificate application accompanied by a manufacturer's certificate to ensure the manufacturer is registered. A BCA should not accept a manufacturer's certificate from a manufacturer who is not currently certified and registered.

What the law says:

Section 272W of the Building Act specifies that the responsible MCMCB may suspend or revoke a manufacturer's certification if satisfied that they—

- no longer meet the criteria for certification in section 272U; or
- have failed to comply with any scheme rules; or
- have not been audited within the previous 12 months (or any shorter period prescribed for the purposes of section 272V(1)(b)).

The Chief Executive may exercise the powers of a responsible certification body under this section.

Automatic suspension

A manufacturer's registration is automatically suspended if their certification is suspended under section 272W.

Suspension by Chief Executive

The Chief Executive may suspend a manufacturer's registration if satisfied that they:

- no longer meets the criteria for registration in section 272Y; or
- has failed to comply with any scheme rules; or
- the responsible MCMCB for the manufacturer has failed to comply with any scheme rules.

Section 272ZD specifies that the Chief Executive may urgently suspend a manufacturer's registration if the Chief Executive has reasonable grounds to suspect that they have:

- manufactured modular components that are likely to cause injury or death even if used in accordance with the manufacturer's instructions; or
- in connection with their modular components, failed to comply with the Act or any scheme rules;
- and, in addition to one of the above grounds, that conduct creates a risk of injury or death to any person or a risk to public safety that is sufficient to justify the immediate suspension of the person's registration.

However, if the Regulations (in the case of certification or registration) or scheme rules (in the case of certification) are amended, and a manufacturer ceases to meet the certification or registration criteria solely as a result of those amendments, their certification or registration cannot be suspended or revoked until three months after the amendments come into force.

The suspension period must also allow the manufacturer reasonable time to meet the certification or registration criteria or rectify their failure to do so. In the case of certification, the MCMCB must lift the suspension if satisfied that the manufacturer again meets those criteria or has been audited. In the case of registration, the Chief Executive must lift the suspension of registration if satisfied that the manufacturer again meets those criteria or has rectified the failure.

If the suspension is not lifted before the end of the suspension period, a manufacturer's certification and registration may be revoked. Registration is automatically revoked if:

- their certification is revoked; or
- their registration is suspended, and the suspension is not lifted within 12 months after it was imposed (although if an application is made during that time to lift suspension and the application has not been decided within this time, the 12-month deadline is extended until the application is decided).

Urgent suspension of a registered manufacturer

The Chief Executive of MBIE can also urgently suspend the registration of a manufacturer if they have reasonable grounds to suspect that:

- they have manufactured modular components that are likely to cause injury or death even if used in accordance with the manufacturer's instructions or
- failed to comply with the Building Act or any scheme rules; and
- in addition to one of the above grounds, that conduct creates a risk of injury or death to any person or a risk to public safety.

The Chief Executive may suspend the manufacturer's registration without giving them prior notice. If an urgent suspension is imposed, the Chief Executive must investigate to determine whether the manufacturer has engaged in the conduct detailed above and if there are grounds to suspend or revoke their certification or registration. On completion of the investigation, the Chief Executive must either lift the suspension, suspend or revoke their certification, or suspend their registration.

Impact/obligations while certification or registration of a manufacturer is suspended

A manufacturer under suspension must:

- cease to promote its certified status for the period of the suspension
- not issue any manufacturer's certificates for the period of the suspension
- stop using the BuiltReady trademark for the period of the suspension.

Details of a suspension or revocation of registration will be contained on the register of manufacturers on the [Building Performance](#) website.



Penalties for misrepresentation

What the law says:

Section 272ZI of the Building Act specifies that it is an offence to misrepresent status:

- a person who is not the accreditation body must not perform any of the functions of that body.
- a person who is not a registered MCMCB must not perform any of the functions of a registered MCMCB.

A person who fails to comply with the above:

- commits an offence; and
- is liable on conviction, and
 - in the case of an individual, to a fine not exceeding \$300,000;
 - in the case of a body corporate, to a fine not exceeding \$1,500,000.

A person must not, in any other way, represent themselves as being any of the following if that is not the case:

- the accreditation body:
- authorised to accredit MCMCB's:
- an accredited MCMCB:
- a registered MCMCB:
- authorised to certify modular component manufacturers:
- a certified manufacturer:
- a registered manufacturer.

A person who fails to comply with the above:

- commits an offence; and
- is liable on conviction, and
 - in the case of an individual, to a fine not exceeding \$50,000;
 - in the case of a body corporate, to a fine not exceeding \$150,000.

Section 272ZJ specifies that a person must not misrepresent a modular component as being any of the following if that is not the case:

- manufactured by a registered manufacturer:
- a modular component to which section 19(1)(da) would apply.

A person who fails to comply with the above:

- commits an offence; and
- is liable on conviction, and
 - in the case of an individual, to a fine not exceeding \$300,000;
 - in the case of a body corporate, to a fine not exceeding \$1,500,000.

Complaints and appeals

Complaints and appeals

Complaints about a manufacturer

- Any complaints that involve a certified manufacturer providing manufacturers' certificates outside of their scope, limitations, or conditions of certification should be made to the responsible MCMCB or to MBIE. Manufacturers' certificates will contain the contact details of the responsible MCMCB.
- Complaints about a modular component produced by a manufacturer should be directed to the responsible MCMCB in the first instance. The register of MCMCBs on the Building Performance website will contain the contact information.
- Complaints relating to the registration of a manufacturer should be directed to MBIE for investigation.

**Contact email for MBIE:
builtready@mbie.govt.nz**

The MCMCB who certifies a manufacturer should investigate any substantive complaints regarding that manufacturer. If a complainant is not satisfied with the outcome of a MCMCB's investigation, the complaint can be referred to the scheme's accreditation body. MBIE's role is to monitor the performance of the accreditation body. Complaints should generally only be referred to MBIE if the accreditation body appears to be failing to fulfil its obligations.



Photo credit: Kāinga Ora

Appendix 1: Glossary

Appendix 1: Glossary

A central register maintained by MBIE (at www.building.govt.nz) of certified and registered manufacturers included those who are suspended.

Term	Definition and explanation
Accreditation body	A person appointed by the Chief Executive of MBIE under section 272I of the Building Act to assess and accredit modular component manufacturer certification bodies for the BuiltReady scheme.
Accredited certification body	Has the meaning given to it in section 7 of the Building Act: a person who has been accredited as a MCM certification body under section 272J and whose accreditation is not suspended and has not been revoked.
Audit	Means an audit for the purposes of section 272K, section 272V, section 272O, or section 272Z of the Building Act, whichever is relevant.
Building Act	The <i>Building Act 2004 as amended by the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021</i> .
Building Code	The New Zealand Building Code, which is Schedule 1 of the Building Regulations 1992, made under section 400 of the Act.
Building Consent Authority (BCA)	Has the meaning given to it in section 7 of the Building Act: a person whose name is entered in the register referred to in section 273(1)(a).
Certification body	See accredited certification body.
Certified manufacturer	Means a person who has been certified as a modular component manufacturer under section 272U of the Act and whose certification is not suspended and has not been revoked.
Certificate of conformity	A certificate issued by the MCMCB to as evidence of a manufacturer's certification that has not been suspended or revoked by the responsible MCMCB, nor has certification been relinquished by the certificate holder.
Current manufacturer's certification	See certificate of conformity.
LBP	Licensed Building Practitioner.
Manufacturer	Modular Component Manufacturer.
MCM	Modular component manufacturer (see: manufacturer).

Term	Definition and explanation
Manufacturer’s certificate	<p>A certificate issued for a modular component by a registered MCM under section 272ZF (2)(b) of the Building Act. The certificate issued relates to the modular component’s compliance with the Building Code or relevant building consent.</p> <p>NOTE</p> <p>A manufacturer’s certificate issued by a registered manufacturer is a first-party declaration of conformity, not evidence of third-party certification.</p>
MCMCB	See accredited certification body.
MCM certificate/certification	See certificate of conformity.
Modular component	In these scheme rules means a modular building product as defined Regulations 7-10 of the Regulations.
NCAS	National Competency Assessment System that identifies the types of building complexities across categories residential R1 to R3 and commercial C1 to C3.
Prefabricated product	Has the meaning given to it in Regulation 5 of the Regulations.
RBW	Restricted Building Work.
Register of certified manufacturers	A central register maintained by MBIE (at www.building.govt.nz) of certified and registered manufacturers included those who are suspended.
Register of certification bodies	A central register maintained by MBIE (available at www.building.govt.nz) of the names and contact details of registered MCMCBs and persons whose registration as a MCMCB is suspended.
Registered manufacturer	Has the meaning given to it in section 7 of the Building Act: registered modular component manufacturer means a person that has been registered under section 272Y and the registration for which is not suspended and has not been revoked.
Registered certification body	Has the meaning given to it in section 7 of the Building Act: registered MCMCB means a person who has been registered as a MCM certification body under section 272N and whose registration is not suspended and has not been revoked.
Regulations	<i>Building (Modular Component Manufacturer Scheme) Regulations 2022.</i>

Term	Definition and explanation
Responsible certification body	<p>The registered certification body that certified the person as a modular component manufacturer; or</p> <p>if the certified manufacturer has been audited under section 272V by a different registered certification body, the registered certification body who conducted the most recent audit under that section.</p>
Scheme parties	<p>Has the meaning given to it under section 272ZG of the Building Act for MCM scheme rules:</p> <p>In this section, scheme party means any of the following:</p> <ul style="list-style-type: none"> a. the MCM certification accreditation body: b. an accredited MCMCB: c. a registered MCMCB: d. a certified MCM e. a registered MCM.
Scope of certification	<p>The scope that the manufacturer applies to be certified for (ie design and manufacture or manufacture only), which may include pre-fabricated modular component type and modular component sub type.</p>
Sub type	<p>A detailed description of a type of modular component, (eg enclosed panel) and can include service options (eg electrical, plumbing and gas), or building complexity level as defined by the NCAS.</p>
Surveillance	<p>Following certification, periodic monitoring of a manufacturer’s activities by the responsible certification body in relation to its design and/or manufacturing operations to confirm certification requirements continue to be met.</p>

Appendix 2: The BuiltReady scheme framework

Appendix 2: The BuiltReady scheme framework

Appendix 2 provides more detail of the legislative framework for the BuiltReady Scheme. It lists sections of the Building Act relating to BuiltReady accreditation, certification, and registration alongside the relevant Regulations.

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
Accreditation of MCM certification bodies (MCMCBs)		
272I	Appointment of modular component certification accreditation body	
		Reg. 25: Audit of accredited MCMCB Reg. 26: Audit of accredited MCMCB conducted for cause
272J	Accreditation of modular component manufacturer certification body	Regs. 11-12: Criteria and standards for accreditation as a MCM certification body
272K:	Audit of accredited MCMCB	Reg. 29: Fees (as set out in Schedule 3) Schedule 3: Part 1: Fees (accreditation of MCM certification body)
272L	Suspension or revocation of accreditation of MCMCB	
272M	MCMC accreditation body must notify Chief Executive of grant, suspension, lifting of suspension, or revocation of accreditation	
Also see:		
272ZI	Offence to misrepresent status as MCMC accreditation body	
Registration of MCM certification bodies		
272N	Registration of MCM certification body	Regs. 13-16: Criteria and standards for registration of MCM certification body Reg. 29: Fees (as set out in Schedule 3) Schedule 3: Part 1: (registration of MCM certification body)
272O	Audit of registered MCMCB	
272P	Suspension of registration of MCMCB	
272Q	Lifting of suspension of registration of MCMCB	

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
272R	Revocation of registration of MCMCB	
272S	Urgent suspension of registration of MCMCB	
272T	Investigation following urgent suspension	
Also see: 200-203C Disciplinary powers in relation to complaints 204 Special powers of Chief Executive for monitoring performance of functions under this Act 208 Appeals to District Court 272ZI Offence to misrepresent status		
Certification of modular component manufacturers		
272U	Certification of MCM	Reg. 17: Criteria and standards for certification as MCM
272V	Audit of certified MCM	Reg. 27: Audit of certified MCM Reg. 28: Audits of certified MCM conducted for cause
272W	Suspension or revocation of certification of MCM	
272X	Notification to Chief Executive by registered MCMCB	
Registration of modular component manufacturers		
272Y	Registration of MCM	Regs. 18-23: Registration of modular component manufacturer Schedule 3: Part 1: Fees (registration of MCMs)
272Z	Audit of registered MCM	
272ZA	Suspension of registration of MCM	
272ZB	Lifting of suspension of registration of MCM	
272ZC	Revocation of registration of MCM	
272ZD	Urgent suspension of registration of MCM	
272ZE	Investigation following urgent suspension	

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
Registration of modular component manufacturers		
272ZF	Registered MCM may issue certificate for modular components	Reg. 24 Information requirements for certificate issued by registered MCM Schedule 2: Content of manufacturer’s certificates for modular components
Also see: 208	Appeals to District Court	
Also see: 272ZJ	Offence to misrepresent modular component as manufactured by registered MCM	

Appendix 3: Schedule 2: Content of manufacturer's certificates for modular components

Appendix 3: Schedule 2: Content of manufacturer's certificates for modular components

In accordance with Regulation 24 of the Regulations, a manufacturer's certificate that a registered manufacturer issues must include the following information:

Schedule 2: Part 1: Certificates issued for purposes of section 45(1)(bb) or (bc) of Act

In accordance with [regulation 24\(1\)](#) and section 272ZF(2)(b) of the Building Act, a certificate for a modular component issued by a registered MCM must include the following information:

General

- (a) the date of issue of the certificate:
- (b) the certificate number:
- (c) whichever of the following applies:
 - (i) a statement that the certificate is issued for the purposes of section [45\(1\)\(bb\)](#) of the Act:
 - (ii) a statement that the certificate is issued for the purposes of [section 45\(1\)\(bc\)](#) of the Act:
- (d) a description of the modular component sufficient to identify it:
- (e) a statement, in the name of the registered MCM, that the registered MCM takes responsibility for the modular component in respect of which the certificate is issued:

Registered MCM: general details

- (f) the following general information about the registered MCM:
 - (i) their legal name:
 - (ii) their trading name, or trading names, in New Zealand:
 - (iii) their New Zealand Business Number (if any):
 - (iv) their address for service in New Zealand:
 - (v) their email address and phone number in New Zealand:
 - (vi) their Internet site:
 - (vii) a link to (or the address of) the Internet site where information on the registered MCM's complaint process can be accessed:

Registered MCM: MCM scheme details

- (g) the following information about the registered MCM:
 - (i) the scope of the registered MCM's certification:
 - (ii) the date of their last audit (if any) as a certified MCM under section 272V of the Act:
 - (iii) the date of their last audit (if any) as a registered MCM under section 272Z of the Act:

Responsible MCMCB details

- (h) the following information about the responsible MCMCB:
 - (i) their legal name:
 - (ii) their trading name, or trading names, in New Zealand:
 - (iii) their New Zealand Business Number (if any):
 - (iv) their address for service in New Zealand:
 - (v) their email address and phone number in New Zealand:
 - (vi) their Internet site:
 - (vii) a link to (or the address of) the Internet site where information on the responsible MCMCB's complaint process can be accessed:

Design specifications (only applicable if the certificate is issued for the purposes of section 45(1)(bb) of the Act)

- (i) a description of the design of the modular component that will support the intended use of the modular component:
- (j) a link to (or the address of) the Internet site where further details of the design can be accessed:

Manufacturing specifications

- (k) a description of the processes to be used in the manufacture of the modular component:

Manufacture statement

- (l) if the certificate is issued for the purposes of section 45(1)(bb), statements that the modular component—
 - (i) will be manufactured, stored, transported to site, and installed according to the design specifications in the certificate; and
 - (ii) will be manufactured according to the manufacturing specifications in the certificate; and
 - (iii) will comply with the other details of the certificate:
- (m) if the certificate is issued for the purposes of section 45(1)(bc), statements that the modular component—
 - (i) will be manufactured, stored, transported to site, and installed according to the consented design; and
 - (ii) will comply with the other details of the certificate:

Signatures

- (n) the signatures of the registered MCM's authorised representatives.

Schedule 2: Part 2: Certificates issued for purposes of section 92(3) or (3A) of Act

In accordance with [regulation 24\(2\)](#) and section 272ZF(2)(b) of the Act, a certificate for a modular component issued by a registered MCM must contain the following information:

General

- (a) the date of issue of the certificate:
- (b) the certificate number:
- (c) whichever of the following applies:
 - (i) a statement that the certificate is issued for the purposes of section 92(3) of the Act:
 - (ii) a statement that the certificate is issued for the purposes of section 92(3A) of the Act:
- (d) a description of the modular component sufficient to identify it:
- (e) a statement, in the name of the registered MCM, that the registered MCM takes responsibility for the modular component in respect of which the certificate is issued:

Registered MCM: general details

- (f) the following general information about the registered MCM:
 - (i) their legal name:
 - (ii) their trading name, or trading names, in New Zealand:
 - (iii) their New Zealand Business Number (if any):
 - (iv) their address for service in New Zealand:
 - (v) their email address and phone number in New Zealand:
 - (vi) their Internet site:
 - (vii) a link to (or the address of) the Internet site where information on the registered MCM's complaint process can be accessed:

Registered MCM: MCM scheme details

- (g) the following information about the registered MCM:
 - (i) the scope of the registered MCM's certification:
 - (ii) the date of their last audit (if any) as a certified MCM under section 272V of the Act:
 - (iii) the date of their last audit (if any) as a registered MCM under section 272Z of the Act:

Responsible MCMCB details

- (h) the following information about the responsible MCMCB:
 - (i) their legal name:
 - (ii) their trading name, or trading names, in New Zealand:
 - (iii) their New Zealand Business Number (if any):
 - (iv) their address for service in New Zealand:
 - (v) their email address and phone number in New Zealand:
 - (vi) their Internet site:
 - (vii) a link to (or the address of) the Internet site where information on the responsible MCMCB's complaint process can be accessed:

Manufacture statement

- (i) if the certificate is issued for the purposes of [section 92\(3\)](#), whichever of the following applies:
 - (i) a statement that the modular component has been manufactured, stored, transported to site, and installed in accordance with the manufacturer's certificate issued at the building consent application stage (such statement to include the certificate number of that certificate):
 - (ii) a statement that the modular component has been manufactured, stored, transported to site, and installed in accordance with the manufacturer's certificate issued at the building consent application stage, except for the described variations (such statement to include the certificate number of that certificate and to describe the variations):
- (j) if the certificate is issued for the purposes of [section 92\(3A\)](#), a statement that the modular component has been manufactured, stored, transported to site, and installed in accordance with the consented design and the manufacturer's certificate issued at the building consent application stage (such statement to include the certificate number of that certificate):

Signatures

- (k) the signatures of the registered MCM's authorised representatives.

**BUILDING
PERFORMANCE**

BRM 8997