



29 May 2023

Ministry of Business, Innovation & Employment

By email only: building@mbie.govt.nz

Kia ora

Thank you for the opportunity to make a submission on the proposed changes to the Building Levy.

About ACE New Zealand

The Association of Consulting and Engineering New Zealand (ACE New Zealand) is a firm-based membership organisation representing over 255 professional services firms and 15,500 people working across the built and natural environments – from large global firms to employee-owned small and medium enterprises.

Our members include engineers, project managers, planners, scientists, architects, surveyors and other technical disciplines. Our teams contribute significantly to Aotearoa New Zealand's economy by advising, designing and delivering on critical technology, policies and practices, and construction and infrastructure across the built and natural environment in Aotearoa.

General comments on the proposed changes to the Building Levy

Overall, we support the proposal to allow for increased investment in MBIE's building system services but have concerns about the proposal to change the levy rate which we outline below.

1. Increased levy threshold

We support the proposed increase to the levy threshold to \$65,000. We consider the rationale for this aspect of the proposal is sound and do not foresee any unintended consequences for our members of this change.

2. Increase investment in MBIE's building system services

ACE New Zealand supports the proposal to increase investment in MBIE's building system services. We consider that the proposed investments are necessary to ensure MBIE are able to make necessary improvements to the building regulatory system. We consider it is appropriate that these costs are met from the surplus that currently exists.

3. Change to the levy rate

We do not support the proposed decrease in levy rate.

We note the Officer of the Auditor-General and Treasury cost recovery guidance are clear that the memorandum account balances should trend to zero over time. However, it is our view that in order to achieve all the changes necessary significant investment is required and until this is achieved it would be premature to decrease the levy rate.

Conclusion

Overall, we agree with the proposal for MBIE to use the surplus to invest in regulatory service improvements. To achieve all the system changes and improvements necessary significant investment is required and until this is achieved it would be premature to decrease the levy rate.

We trust these comments are helpful. We would be happy to discuss any aspect of this submission.

Ngā mihi

A handwritten signature in black ink, appearing to read 'H. Davidson', with a stylized flourish at the end.

Helen Davidson

Chief Executive