

# Rule changes

A recent study asked about the impact of regulatory and legislative changes on residential building and productivity in Canterbury.

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**LEGISLATIVE CHANGES MADE** because of the earthquakes include Orders made under the Canterbury Earthquake Recovery Act 2011 and Orders and Regulations made under the Canterbury Earthquake Response and Recovery Act 2010 and under other legislation.

The top legislative changes affecting the construction sector, particularly construction productivity, were reported as:

- the Canterbury Earthquake Recovery Act 2011
- Earthquake Commission (EQC) regulations around the release of funding for reconstruction projects and engineering assessment
- Building Code changes
- health and safety regulations
- Orders in Council regulations facilitating the deconstruction process such as allowing temporary accommodation, logistics allowing shifting loads and fast-track demolition.

## **CERA Act top of mind**

The most mentioned legislative change was the Canterbury Earthquake Recovery Act. It impacted productivity through land zoning issues, different foundations and geotechnical reporting requirements. Impacts noted included:

- slowing down reconstruction
- bureaucratic red tape around zoning
- the slow process of geotechnical and engineering evaluations.

Potential positive long-term effects were thought to be improved land zoning from detailed evaluations.

Also mentioned were EQC's policies for releasing reconstruction funding, which are generally regarded as negatively impacting construction productivity. The significant volume of work contributed to the slow process and comments included:

- work not being able to start until EQC released payouts

- tightening of EQC sign-off, which was slowing processes
- lack of communication from insurance companies and EQC.

However, it was also felt that realistic expectations were needed of EQC and the insurance process because of the large volume of work. The relationship between EQC and insurance companies and its impact on homeowners also needs to be further improved.

## **Building Code changes well regarded**

Building Code changes were identified as key in affecting productivity in the residential market, with two-thirds of interviewees who mentioned the Building Code changes saying they were necessary, practical and improved the industry. They were positive about their impact on construction productivity long term, if not immediately.

However, there was concern that different foundation requirements would slow the rebuilding process and require different equipment. Building Code changes create different relationships with different subcontractors, and companies need time to understand the new requirements and adapt, so they generally slow recovery.

It was felt health and safety regulations were also slowing construction work. However, there is little doubt they are necessary.

Deconstruction and recycling-related regulations such as relocating houses and fast-track demolition were seen as facilitating the rebuild.

## **Changes impact rebuild speed**

Legislative changes often occur as a response to disasters and are seen as necessary to improve the resilience of the built environment. However, the consequences are not always fully understood.

The current changes are now embedded in ways of doing business during recovery, but any future changes should be considered in the wider context of their impacts on the speed of rebuild. ◀