**SUPPLEMENTARY SUBMISSION**

To

LOCAL GOVERNMENT AND ENVIROMENT COMMITTEE

From



On

**Buildings (Earthquake-prone Buildings) Amendment Bill**

**16 July 2015**



Posted to Local Government and Environment Committee Secretariat

Emailed to: kate.barnes@parliament.govt.nz

**ICNZ Supplementary Submission on the Buildings (Earthquake-prone Buildings) Amendment Bill**

Thank you for the opportunity to submit again on the Buildings (Earthquake-prone Building) Amendment Bill

**About us and our interests in the Consultation Document**

1. ICNZ represents the interests of the fire and general insurance industry in New Zealand. Our 28 members insure over $600 billion worth of New Zealand assets and liabilities.
2. The Insurance Council’s members pay property damage claims that allow New Zealanders to recover from a Natural Disaster. As at the end of June 2015 Insurance Council members had paid over $15 billion in property claims for the rebuild of Canterbury.
3. As outlined in our original submission 17 April 2014, (copy attached) the Insurance Council and its members support the intent of this bill. Current legislation and controls over Earthquake-prone Buildings do need improving as many lessons have been learned following the recent Canterbury and Seddon earthquakes sequence events.

**Meaning of an Earthquake-prone Building Section133ab**

1. The Insurance Council notes the changes to the meaning of an Earthquake-prone Building. The Insurance Council however is concerned that the issue raised in our submission (17 April 2014) concerning internal non-structural components such as ceilings and above ceiling services, creating potential injury and life safety risks to occupants are not captured by this section.
2. The definition of an Earthquake-prone Building needs to include internal non-structural compliance as if these systems fail, they are likely to cause death or injury to building occupants in the same way as a building with external parts such as parapets that could break loose and fall injuring people.
3. The territorial authority would be unlikely to assume that modern buildings would require an earthquake rating by an engineer that would include an internal part of a building such as ceilings and services being likely to cause injury or death to persons in that building, however this is a real possibility.

1. Many of these newer buildings are likely to have ceiling and internal service systems that are not compliant with NZS 4219. This may mean that each building would have to have a detailed inspection by the territorial authority. Consideration could be given to including inspections into the building Warrant of Fitness regime. We understand this is a potentially difficult issue for territorial authorities but we feel does need to be considered.
2. There is no excuse for new buildings (built since 2012) to be noncompliant but we understand that many do not meet NZS 4219 and this is a concern.
3. The territorial authority would be expected to identify buildings which may have parts of that building which are potentially earthquake-prone and often that is easy to do by looking at the age and type of the building, however internal components such as ceilings and services are more difficult. We understand that the assessment of seismic resilience of non-structural building systems in commercial buildings in relation to existing building standards is an area that is currently not well understood but it cannot be ignored.

**Seismic Upgrade Requirements – New section 133ax**

1. In the Insurance Council’s original submission (17 April 2014) we outlined the issue of earthquake seismic upgrading that could be affected by the associated costs with any required upgrades to access facilities for people with disabilities and the means of escape from fire. The Insurance Council has no problem with the new recommended section 133ax.

**Summary of Officials Report to the Local Government and Environment Committee on Building (Earthquake-prone Buildings) Amendment Bill**

**Recommendations**

* No change to the commencement provision of the Bill- Recommendation 1. The Insurance Council accept this.
* Definition of Earthquake-prone Building – Recommendation 2.1. The definition of an Earthquake-prone Building to be amended to improve its clarity by including the issues of Seismic Non-Structural into the definition. The Insurance Council believes the recommendation 2.1 does not adequately address the issues we raised in Paragraphs 6, 7, 8 & 9.
* Recommendations 2.2- 2.6 The Insurance Council agrees with these recommendations.
* Application of the definition of Earthquake-prone Building in areas of low seismic risk- Recommendation 3 No change to be made to the definition – the Insurance Council agrees with this.
* Level of remediation required of Earthquake-prone Buildings – Recommendation 4 No change to either the definition of seismic work in clause 23, new section 133aa etc. The Insurance Council agrees with this.
* Seismic Capacity Measurements Outcome Notices and Seismic Capacity Register and Seismic Work Notices - Recommendations 5.1 - 5.24 The Insurance Council has no issues with these Recommendations.
* Remediation Time Frames – Recommendation 6.1 – 6.9 The Insurance Council agrees with these Recommendations.
* Remediation Time Frames for Heritage Buildings – Recommendation 7.1 The Insurance Council has agrees with this Recommendation.
* Exemptions from Remediation requirements – Recommendation 8.1 The Insurance Council accepts this Recommendation.
* Upgrade Requirements – Recommendations 9.1-9.3 The Insurance Council agrees with these Recommendations
* Enforcement of Fences – Recommendations 10.1-10.2 The Insurance Council has no issues with these Recommendations.
* Transitional Provisions – Recommendation 11.1 The Insurance Council agrees with this.
* Other Recommendations -

Originating Applications- Recommendation 12

The Insurance Council has no issue with this recommendation.

Restricting Entry to Buildings for Particular Purposes/Persons – Recommendation 13

The Insurance Council has no issue with this recommendation.

Cost Recovery Provisions (General) - Recommendation 14

The Insurance has no issues with this recommendation.

Drafting of Section 112 – Recommendation 15

The Insurance Council has no issue with this recommendation.

We trust that the Local Government and Environment Committee will find our Supplementary Submission on the Buildings (Earthquake-prone Buildings) Amendment Bill clear and informative.

We are happy to appear before the Committee to discuss our submission or answer any specific questions the select committee may have should the opportunity arise.

Should the Committee Secretariat have any questions then please contact either Chief Executive Tim Grafton tim@icnz.org.nz 04-495-8001) or Insurance Manager John Lucas john@icnz.org.nz

(04 495 8006).

Yours sincerely,

 

**Tim Grafton John Lucas**

Chief Executive Insurance Manager