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Media Release

**Caution Urged over Dis-establishment of Building Industry Authority**

The NZ Construction Industry Council has expressed surprise that there has been virtually no consultation with industry over the government decision to disestablish the Building Industry Authority.

Council chairperson John Pfahlert, CEO of the NZ Contractors' Federation, said today that he would have expected the issue to be included in the recently released discussion paper on options for regulatory reform of the building sector.

“Given the importance of the decision one might have expected the government to consult with industry first. Their decision to move the BIA powers back within a government department has quite important implications for the sector, and caution is warranted.” said Mr Pfahlert.

He said that the logic for a stand alone crown entity was well founded in 1991 when the BIA was established, and has not really changed. “Under its' current structure the BIA is able to make technical decisions affecting the use of materials and building systems, or other regulatory controls affecting the sector based on sound technical advice and science. In a government department those decisions will be tempered by politics. The outcome will not necessarily make for good outcomes.”

He cited examples where continued use of treated timber in the framing of houses might be made based on other than the scientific evidence, or where regulatory controls were altered under pressure from local authorities.

Mr Pfahlert said that the Council would be interested to ensure that the government adequately resourced any new government department, or division of an existing department. He said that the track record of the government when the Building Act was administered through the Department of Internal Affairs was not good, and would need to be substantially improved.

There was a risk that while accountability of officials and Ministers might well be improved via a government department structure, the decisions made might not be based soundly on the best information available. “Trade offs will inevitably occur within a structure not at arms length from government.”

ENDS

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