



Kia ora. This ICW Update is provided by our seismic matters spokesperson, Geraldine Murphy.

Since the last update there has been a further change to the Residential Earthquake Prone Buildings Financial Assistance Scheme and owners considering applying are now able to also access the Accommodation Supplement, subject to meeting the criteria for the Supplement.

ICW has also received further information from MBIE on the implications of the National Seismic Hazard Model review for earthquake-prone buildings and earthquake-prone legislation. A summary of the key point is set out, along with the response from MBIE and a media article.

National Seismic Hazard Model (NSHM)
MBIE responses to questions on what this means
for earthquake-prone buildings

In September/October the revised NSHM was released. ICW

submitted a number of questions to MBIE seeking clarification and more detail on the impact of the NSHM work on earthquake-prone buildings and the policy.

[This document sets out ICW's question and MBIE's responses.](#)

Below is a summary of the key points, with references to 'Question/Response; page number and question' in the document. If you are an owner of an earthquake-prone building, we encourage you to read the full response.

1. ***Need for certainty for owners - 'owners who have assessed or remediated their buildings cannot be asked to do so again'***

ICW asked for responses to scenarios where owners have complied or are in the process of complying with EQP legislation.

The response gives more clarity than previous statements from Ministers, stating that owners cannot be asked to do so again (P4, Q1-4, last row).

ICW believes this information should be communicated by MBIE to owners, engineers, territorial authorities and they have asked Grant Robertson (Wgtn Central MP) if he can facilitate making this happen.

2. ***Use of 'revised building design standards for new buildings' to determine whether a building is earthquake-prone.***

MBIE's response *'%NBS for EQPB will always be assessed*

relative to the requirements for new buildings in 2017 when the EPB system came into effect', provides clarity that the revised 'building design standards for new buildings' will not be used to determine whether an existing building is earthquake-prone (P2, Q4,5).

While these statements are a good start, the response also says *'MBIE has no current plans to change the definition of an EQP building'*. The potential for change remains a risk. The definition of earthquake-prone buildings is in regulations and can be easily changed by Cabinet, with only the Regulation Review Committee as a mechanism to stop it.

If a Government decides to amend or replace the definition of earthquake-prone building, then [s133AY](#) of the Building Act applies and WCC (as a territorial authority) must *'consider whether any decision should be reassessed in light of the changes to the definition, and may remake the decision'*.

Responses from Ministers to questions on whether the link to 2017 would change have been along the lines of *'no plansin the short term'*. We need to keep reminding our local MP (and future candidates) of the impacts the legislation is having on apartment owners, the need for certainty. and the need for a review.

3. *How and when is the impact on society being assessed and the cost-benefit analysis of a revised building design standard for new buildings completed (P1, Q1-2)*

MBIE's response does not provide any assurance that a

rigorous process to assess the impact on society of the updated NSHM and the cost-benefit analysis of a revised standard to take account of the updated NSHM is planned. MBIE is planning to consult mid-2023, when this information will be required.

When the NSHM was announced, the GNS scientists clearly stated that the work forecasts the ground shaking, ie, the hazard level, and that it did not forecast the impact on society. The apparent absence of any work on this aspect is concerning. The risk is that the policy and standards work and Ministers will continue to be informed by the 'society's aversion to large scale deaths in a single event' approach and not consider the costs, benefits and impacts on affected owners.

4. ***Yellow Chapter, Red Book, prescribed methodology***

After 3+ years of work on the Yellow Chapter/Red Book, it is still being considered. According to WCC's pre-election briefing, there are 150 buildings, including residential, with issues (similar to those that resulted in the Central Library and Maturanga House being closed) that are affected by the Yellow/Red issue.

The categories of buildings specified in the [Earthquake-Prone Building Methodology](#) section 1.2 are URM, pre-1976 3+ storeys or 12m or greater, pre-1935 1 or 2 storeys, not URM. Section 1.3 of the Methodology refers to s133AG(3) of the Building Act, which provides that territorial authorities '*....may, if it has reason to suspect that a building or a part of a building in its district may be earthquake prone, identify the building or part as potentially earthquake prone,*

whether or not by reference to the EPB methodology'. Section 1.3 sets out the 'Reasons that may cause a territorial authority to suspect a building may be earthquake prone'. The reasons provide a wide scope for territorial authorities.

5. *Extension of timeframes (p5, Q1)*

No work is being done on this by MBIE; we will raise it again with Grant Robertson.

The responses in the attached document go some way to addressing some of the questions we have been raising; but not all of them they and have raised a few others. 'How will a revised building design standard for new buildings' interact over time with the earthquake-prone building provisions? Will there be a move to including low damage seismic design into standards for new buildings to progressively build more resilient buildings? These are questions ICW will be progressing in 2023.

Residential Earthquake-prone Buildings Financial Assistance Scheme and access to Accommodation Supplement

In late November, Kainga Ora's Product Manager for the Scheme advised ICW that, after further work by MBIE, if eligible owners applying to the Scheme *'receive an accommodation supplement from Work and Income, this will not be impacted by a loan granted under this Scheme'* (MBIE website). This has previously been a constraint for a number of otherwise eligible owners considering applying to the Scheme.

As a reminder of other important changes following the review of the Scheme last year, former owner occupiers are eligible (on the

condition that the applicant returns to live in the property or sells within two years of the property being removed from the EPB register) and owners of units purchased after 1 July 2017 but prior to the unit being confirmed as earthquake-prone.

ICW will follow up with MBIE in 2023 asking for an update on the other areas identified in the Review of the Financial Assistance Scheme which recognised that there are significant barriers, (in addition to finance) that make it challenging for owners to progress.

