Building system legislative reform

Submission form

## A little bit about you

### Your contact details

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| --- | --- |
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* I would like to be anonymous in MBIE's published consultation results.

Yes  No

* Are you representing others?

No, just my self

Yes, I represent a company or an organisation

Company/Organisation title: **Kapiti Coast District Council**

* The best way to describe your role is:

Architect  Builder  Building Control Officer

Building owner  Designer  Developer

Electrician  Engineer – Fire  Engineer – Geotechnical

Engineer – Structural  Engineer – other  Homeowner

Manufacturer/supplier/off-site manufacturer

Plumber/gasfitter/drainlayer

Other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Part 2: Building products and methods

### MBIE wants stakeholders' feedback on seven proposed changes:

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| **1.** | Widen the purpose of the Building Act to include the regulation of building products and methods. |
| **2.** | Provide clear definitions for ‘building product’ and ‘building method’. |
| **3.** | Require product manufacturers and suppliers to supply information about their building products. Set minimum standards for that information. This would not apply to building methods. |
| **4** | Clarify responsibilities of manufacturers, suppliers, designers and builders for building products and building methods. |
| **5.** | Give MBIE the power to compel information to support an investigation into a building product or method. |
| **6.** | Strengthen the framework for product certification for building products and methods. |
| **7.** | Enable a regulatory framework for modern methods of construction, including off-site manufacture. |

### Proposal 1 -Widen the purpose of the Building Act to include the regulation of building products and building methods.

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| **2.1** | Do you agree with expanding the purpose of the Building Act to include the regulation of building products and methods and their use? |
| |  |  | | --- | --- | | Yes | No |   Expanding the purpose of the Building act to include regulation of building products and methods, and their use is supported. The building industry operates in a complex and challenging environment which encourages innovation and overseas trade. This complexity is currently slowing the building consenting process as BCAs endeavour to confirm compliance with the building code.  Regulation of building products and methods, assessed and registered by a national entity, could provide certainty about compliance and speed up, and therefore reduce the cost of, building consents. Other factors to be considered, are the national shortage of appropriately skilled Building Officer resource, and the lack of specialist skills held by Building Officers to appraise products and methods.  Regulation that resulted in NZ building code (NZBC) compliance being confirmed by an independent 3rd party, which BCAs were entitled to rely on, would be the preferred outcome. KCDC considers that such registration should be mandatory for;   * Structural systems other than those described in cited design standards * Cladding systems including products utilised as part of the system * Plumbing products * Fire rated products |

### Proposal 2 - Clearly define ‘building product’ and ‘building method’.

Include the following definitions in the Building Act:

* A ‘building product’ is any component or system that could be reasonably expected to be incorporated into building work. A system is a set of at least two components supplied and intended to be used together to be incorporated into building work.
* A ‘building method’ is a specific way of using a product or system in building work.

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| **2.2** | Do you agree with the proposed definition of ‘building product’? |
| |  |  | | --- | --- | | Yes | No |   The definition needs to be sufficiently broad to allow for new technologies and building methods. Is a whole house a building product? Is an element that is ‘assembled’ to make a building, a building product? |
| **2.3** | Do you agree with the proposed definition of ‘building method’? |
| |  |  | | --- | --- | | Yes | No |   The definition should capture alternatives to on site construction methodologies which is a way of ‘making’ a product. |
| **2.4** | Do these definitions provide sufficient scope to account for new and emerging technologies? |
| |  |  | | --- | --- | | Yes | No |   Refer to 2.2 and 2.3. |

### Proposal 3 - Set minimum standards for information about building products and require manufacturers and suppliers to supply that information.

Product manufacturers and suppliers (including importers) would need to provide publicly accessible information about building products.

Set minimum information requirements for building products (through regulations).

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| **2.5** | Do you support the proposal to require manufacturers and suppliers to supply information about building products? |
| |  |  | | --- | --- | | Yes | No |   Information is needed to assess compliance with the NZBC and provide clarity about what is incorporated in the building, how to handle and install it, and what maintenance is needed to ensure it remains durable. Product data is required documentation for a building consent, which manufacturers need to provide in order for their product to be specified for use.  Setting minimum standards will be useful in providing consistency. The information must include statements as to compliance with the NZBC |
| **2.6** | **(For designers, builders and building consent authorities)** Would the proposed minimum information requirements for building products help you make good decisions about products? |
| |  |  | | --- | --- | | Yes | No |   The proposed minimum information requirements may result in less information needing to be requested during processing a building consent. However, whilst the assessment of the information remains at a BCA level, the assessment is reliant on the expertise of Building Officers who are not experts in the appraisal of products. For instance, test results may be in a foreign language and to a standard that is not one of our cited standards. There are issues of quality assurance (Has the test been undertaken by an accredited independent 3rd party, is the translation accurate?) and interpretation (how does the test result relate to NZBC compliance) as well as traceability to the actual product.  Currently each BCA has to make an independent decision which leads to much duplication of effort for BCAs collectively and also for the individual manufacturer/supplier. Manufacturers/suppliers often try to convince a BCA to accept their product by reference to acceptance by another BCA. KCDC has found in the past that this is an unreliable justification for acceptance.  Some form of national body, with staff who have expertise in appraising building products, are needed to make these assessments. It is not envisaged that this would be the same level of surety as ‘Codemark’ as BCAs only need to have ‘reasonable grounds to believe’ the product is NZBC compliant. Any assessment would be on the basis of documentation provided only.  The alternative would be to make “Codemark’ mandatory for some product groups. |
| **2.7** | **(For designers, builders and building consent authorities)** Do you need any other information to help you decide whether a building product will result in building work that complies with the building code? |
| |  |  | | --- | --- | | Yes | No |   Independent assessment at a national level is needed. Refer 2.6 |
| **2.8** | **(For manufacturers and suppliers)** How closely do the proposed minimum information requirements reflect what you already provide? |
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| **2.9** | **(For manufacturers and suppliers)** Would there be a financial impact on your business to provide the proposed minimum product information for your products? |
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| **2.10** | **(For manufacturers and suppliers)** Please tell us your estimated cost increase in NZD and include any relevant information on how it was calculated (eg the number of products you produce or supply). |

### Proposal 4 - Clarify the responsibilities of manufacturers, suppliers, designers and builders for building products and building methods.

* Create an explicit responsibility on manufacturers and suppliers to ensure that a building product is fit for its intended purpose.
* Clarify that builders cannot use a different building product or building method to the product or method specified in the building consent without an appropriate variation to the consent.
* Clarify the responsibilities of builders and designers to ensure that the building products and methods specified or used will result in building work that complies with the code.

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| **2.11** | Do you support the proposals to clarify roles and responsibilities for manufacturers, suppliers, designers and builders? |
| |  |  | | --- | --- | | Yes | No |   Manufacturers and suppliers need to take responsibility for their products performance in accordance with their stated compliance with the NZBC. Others in the building sector cannot oversee their manufacture quality.  Designers need to take responsibility for specifying products within their stated scope limitations. Otherwise there is significant re-work to re-design or propose a more appropriate product. These issues cause significant delays in the building consenting process and have associated costs that are generally passed on to the homeowner.  Builders need to take responsibility for ensuring the correct product is being used, and that it is correctly stored, handled and installed. When not done correctly there is a need for re-inspection. This re-work causes delays in the construction timeframe and the historic level of re-work is priced into the cost for future work. |
| **2.12** | Is the current threshold and process for variations to consent appropriate for all circumstances? |
| |  |  | | --- | --- | | Yes | No |   Significant changes need to go through an amendment process to give time to appropriately document and consider the impacts the proposed change may have on NZBC compliance. |

### Proposal 5 - Give MBIE the power to compel information to support an investigation.

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| **2.13** | Do you support the proposal to give MBIE the power to compel information to support investigations? |
| |  |  | | --- | --- | | Yes | No |   KCDC supports a more pro-active approach to MBIE undertaking investigations and wider use of it’s powers to warn and ban. To do so MBIE must have access to all information it needs. |
| **2.14** | Would MBIE’s ability to compel information about building products or methods and share this with other regulators have unintended consequences? If so, what might these unintended consequences be? |
| |  |  | | --- | --- | | Yes | No |   BCAs are currently joined in product claims and accruing legal and expert witness costs to defend their position. Sharing product information with other regulators may result in more legal action being taken by those regulators under legislation other than the Building Act. This could involve BCAs in making strike out applications and defending claims. |

### Potential impacts of the proposed changes

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| **2.15** | Do you think the impact of the proposed changes to the regulation of building products and building methods (proposals 1-5) would be positive or negative? What do you think the impact might be? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   It would be helpful in setting expectations about the information needed with a building consent application which might reduce some delays in the consenting process when currently this information has to be requested. |
| **2.16** | How do you think the proposed changes to the regulation of building products and building methods would change how you and your business/organisation operates? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   As part of building consent processing we will still need to check that we have information sufficient to demonstrate NZBC compliance. A national register or database of products that had been assessed for compliance with NZBC that BCAs could rely on would have a strong positive impact. |

### MBIE proposes a two-year transition period for product information, six months for other proposed changes (proposal 1, 2, 4 and 5).

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| **2.17** | How long do you think the transition period for product information needs to be to ensure manufacturers and suppliers are prepared for the changes? |
| |  |  |  | | --- | --- | --- | | Less than two years | Two years | More than two years |   The need for information is urgent. BCAs are seeing increasing importation of products and substitution of products which cannot be assessed for compliance with NZBC. If information cannot be provided to demonstrate NZBC compliance the products should not be allowed now. There is forewarning about the likely changes with this consultation, and as we proceed through the legislative change process. |
| **2.18** | How long do you think the transition period for the changes to responsibilities needs to be so that people are prepared for the changes? |
| |  |  | | --- | --- | | Six months | More than six months |   Refer to 2.17. The matter is urgent as the information is currently required to assess building consent applications. |
| **2.19** | If the clarified roles and responsibilities came into force before the minimum requirements for product information, what would be the impact? |
| If roles and responsibilities came into force first there should be no impact as without sufficient documentation to demonstrate NZBC compliance the product/methods should not be approved in a building consent. |

### Proposal 6 - Strengthen MBIE’s role as the product certification owner and regulator.

Allow for regulations to set requirements on product certification bodies and for the accreditation and registration of product certification bodies.

Allow for regulations to set out the process and requirements for registering a product certificate.

Allow MBIE to set rules for the interactions between participants in the product certification schemes.

Provide MBIE with the powers needed to administer the registers of product certification bodies and product certificates.

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| **2.20** | **(For product manufacturers and suppliers)** Would the changes proposed to the framework for product certification make product certification a more attractive compliance pathway for your products? |
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| **2.21** | **(For designers)** How would the proposed settings to the framework for product certification impact your product specification in building designs? |
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| **2.22** | **(For building consent authorities)** Would the changes to the product certification scheme’s settings increase your confidence that a product or method with a product certificate will perform as intended? |
| |  |  | | --- | --- | | Yes | No |   Increased monitoring and intervention powers for MBIE would address KCDC concerns about the competency of PCBs. Whilst the “Codemark’ affords BCA protection from litigation KCDC has wider concerns for the wellbeing of it’s community and the robustness of buildings which could be compromised under a poor performing “Codemark’ system. |

### Proposal 7 - Enable a regulatory framework for modern methods of construction (MMC), including off-site manufacture.

Amend the Building Act to enable a regulatory framework that would future-proof the building regulatory system for MMC. Features of this framework include:

* enabling a manufacturer certification scheme for repeatable manufacture processes used to produce building work
* clarifying what roles and responsibilities for MMC will be when the new framework is in place
* minimising duplication of effort by: not requiring two consents for the same building work, and considering whether to require BCAs to accept each other’s consents and Code Compliance Certificates.

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| **2.23** | Are these the correct features for a future-proofed regulatory framework for MMC? |
| |  |  | | --- | --- | | Yes | No |   Production in factory like conditions will improve productivity and allow assembly workers rather than builders to be used. This should produce a better product at less cost. There will need to be independent 3rd party certification and monitoring to assure quality. We already have examples of manufacturer certification in our timber treatment and ready mix concrete plants which work well.  With a diminishing building officer workforce BCA inspection capacity is difficult to maintain and alternative ways of assuring quality need to be found. Currently KCDC has a shortage of builders in the area and there is an increasing trend for parts or whole buildings to be completed out of district and transported to site. New ways of assuring the quality without BCA inspection would assist. |
| **2.24** | What would be the impact of such a regulatory framework for MMC? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   In order to be successful the quality of the work would need to be assured other than by BCA inspection and BCAs would need to have legislative right to rely on NZBC compliance having been achieved. |
| **2.25** | **(For manufacturers of MMC, including off-site manufacture)** How would the proposed framework impact your business? |
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| **2.26** | **(For manufacturers of MMC, including off-site manufacture)** Would you use the manufacturer certification scheme? |
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| **2.27** | **(For building consent authorities)** What would be the impact of a requirement for BCAs to accept one another’s consents and code compliance certificates? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   KCDC currently accepts the scope of building work covered by another BCAs CCC. KCDC does not have experience of issuing a CCC for another BCAs building consent, although it does issue CCC for older building certifier consents and “Multi-proof’ consents. |

### Final thoughts

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| **2.28** | If you have any other comments on the proposals for building products and methods, please tell us. |
| KCDC is disappointed that the option of ‘A national register or database of building products’ was not explored more fully. The proposal to require minimum information about building products does not avoid the duplication of effort as each individual BCA has to assess the information provided. The BCA has staff with limited expertise to assess innovative products, and there is a cost to this duplicated effort which is passed on to individual owners and not borne by the manufacturer/supplier trying to gain entry to the market. There is also no certainty of acceptance for the product manufacturer/supplier or the designer and owner which can lead to dispute and delays.  KCDC considers that in order for proposals re MMC to be successful the quality of the work would need to be assured other than by BCA inspection and BCAs would need the legislative right to rely on NZBC compliance having been achieved. |

## Part 3.1: Occupational regulation of the Licensed Building Practioner (LBP) scheme

### MBIE wants stakeholders' feedback on two proposals:

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| **1.** | Broaden the definition of restricted building work (RBW) to include more complex non-residential building work. |
| **2.** | Raise the competence standard for LBPs to enter and remain in the LBP scheme. This includes proposals to:   * Introduce a tiered licensing system for LBPs to establish a progression pathway, including a specific licence for supervision. * Simplify the licence class categories. * Introduce behavioural competence requirements for LBPs. |

### Proposal 1 - Broaden the definition of restricted building work (RBW) to include more complex non-residential building work.

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| **3.1.1** | How effective do you think expanding the scope of RBW would be in managing risks to public safety in the building sector? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Not effective | Somewhat effective | | | Very effective | |  |  |  |  |  | |
| **3.1.2** | Do you agree with the proposed threshold for the definition of RBW? |
| |  |  | | --- | --- | | Yes | No |   KCDC agrees with the approach of aligning RBW definition with risk and that all residential buildings, including mixed use buildings with some residential use should be included. |
| **3.1.3** | **(For builders)** What impacts do you think the proposals for RBW would have on you and your business (including type of work, recruitment, training and costs)? |
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| **3.1.4** | What impacts do you think the proposals for RBW would have on homeowners, building owners and building occupants? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   As a result, some LBPs and engineers may need to limit the scope of buildings they work on. If this is ‘up front’ it should not impact on owners.  Building occupants should already have their safety assured through the current consenting processes. |
| **3.1.5** | How do you think the proposed changes to the LBP scheme would affect the behaviour of LBPs? |
| The proposed changes to RBW would have little impact in our district as designers that work in the commercial space also undertake residential work and are LBPs.  Refer to 3.1.7 for comment on other proposed changes for LBPs. |
| **3.1.6** | What impact do you think expanding the scope of RBW would have on the construction sector skill shortage |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   Designers in our District are already LBPs but builders may not be and would have to acquire licenses. |

### Proposal 2 - Higher competence requirements to increase confidence in the LBP scheme.

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| **3.1.7** | How effective do you think raising the competence standards for the LBP scheme would be in increasing confidence in the LBP scheme? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Not effective | Somewhat effective | | | Very effective | |  |  |  |  |  |   KCDC considers that a fundamental change is required to raise the competence standards of LBPs. The Building Act 2004 introduced accreditation for BCAs that required the introduction of quality assurance processes, qualifications for Building Officers, and annual competency assessments. The BCAs have lifted their game (to the extent that the requirements should be wound back a bit as it is resource hungry and expensive) and now, by default, fulfil a primary role as educator for LBPs.  The bar for licensing LBPs was initially low but recent attempts to raise the bar have been unsuccessful as evidenced by the numbers of requests for information (RFI) during building consent processing and the number of re-inspections. The current system seems to rely on evidence of complaints. BCAs are being encouraged by MBIE to make complaints and yet the work involved to fill out the forms is excessive. A more pro-active approach to seek records from the BCAs would be more effective in establishing current level of competence.  KCDC considers that LBPs should be rigorously assessed for competence at the same interval as Building Officers (suggest 3 yearly). Records could be obtained from BCAs about recent jobs undertaken by the LBP (RFIs for designers and inspection records for constructors) for assessors to review. LBPs could be required to undertake training to fill any gaps in knowledge or performance. KCDC recommends that Levy reserves could be utilised for re-assessment of all LBPs, architects and engineers to raise the bar and that MBIE Levy used for on-going assessments. |
| **3.1.8** | What impact would changing the competence standards for the LBP scheme have on builders, building companies, building sector associations and training organisations? |
| KCDC is of the opinion that more capable LBPs is a change that will have significant impact in improving efficiency and reducing costs for building work. Some initial investment may be necessary to realise those efficiencies and cost reduction.  KCDC suggests that training be funded from Central Government (potential use of building Levy money) to initially upskill LBPs and provide training on all legislative and building code changes thereafter. This will minimise the cost for LBPs and potentially increase workload for building sector associations and training organisations.  More rigorous assessments of LBPs would require resourcing also with costs to individual LBPs (and eventually to the cost of building) or could be government funded (potential use of building Levy money). |
| **3.1.9** | **(For builders)** Would introducing tiered licence classes make you more likely to apply to become an LBP? |
| **3.1.10** | **(For builders)** If you’re already an LBP, would you be likely to apply to become licensed under a new supervision licence class? |
| **3.1.11** | **(For builders)** Do you still see potential value in having a site licence for residential and commercial building projects? |
| **3.1.11a** | How can a site license contribute to the coordination of building work? |
| The existing regime where a LBP with a site license cannot provide a record of work that covers work of another LBP is problematic. Equally problematic is a record of work from an LBP who says he has supervised work and yet he has never been on site during BCA inspections.  Having a person that is the equivalent of a clerk of works or a head contractor/builder that is responsible for overseeing the work as a whole is critical. If a new site license can replicate this it will contribute greatly to communication between BCA and site and result in improved co-ordination on site. |
| **3.1.12** | **(For builders)** Who do you think should be responsible for coordinating building work on a site and what skills are required for this type of role? |
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| **3.1.13** | Do you think that the introduction of a fit and proper person test and a code of ethics for LBPs would help to ensure that building professionals are held accountable and improve the public’s confidence in the LBP scheme? |
| |  |  |  | | --- | --- | --- | |  | Yes | No | | Fit and proper person test |  |  | | Code of the ethics for LBPs |  |  |   KCDC is aware of LBPs that take short cuts and try to substitute cheaper materials etc. in the hope that nobody will notice and therefore supports the introduction of a fit and proper person test. |

### MBIE proposes a transition period to implement the changes.

* reassess every existing LBP under the new competency standards after two years (November 2022); reassessment would be done when each licence comes up for renewal.
* assess new LBP applicants under the new competency standards; assessment would start in November 2022.

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| **3.1.14** | Do you agree the proposed timeframe for the changes to the LBP scheme is sufficient? |
| |  |  |  | | --- | --- | --- | | Yes | No, it’s too long | No, it’s too short |   KCDC suggests a more rigorous competency assessment undertaken at least every 3 years and that the competency assessments therefore need to be spread out over the same timeframe to even out the workload. |
| **3.1.15** | What should we consider in setting the transition timeframe? |
| The time needed to resource for the more rigorous competency assessments that KCDC suggests will need to be considered when setting a commencement date.  Also the lead time to make training available may impact on a commencement date.  Once the training and assessment resource is in place, the transition timeframe for each LBP to be assessed under the new standard will need to be set at the re-assessment timeframe. |

### Final thoughts

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| **3.1.16** | If you have any other comments on the proposals for LBPs, please tell us? |
| KCDC believes that improved competency of LBPs is the most significant change that can improve building outcomes and reduce cost by reducing rework and waste.  From our interactions with practitioners, one aspect of training needed for all LBPs is an understanding of the legislative framework for building work. |

## Part 3.2 Occupational regulation of Engineers

### MBIE wants stakeholders’ feedback on the three proposals:

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| **1** | Establish a new voluntary certification scheme that provides assurance of an engineer’s professionalism and general competency and phase out Chartered Professional Engineer (CPEng). |
| **2** | Restrict who can carry out or supervise safety-critical structural, geotechnical and fire-safety engineering work within the building sector. This would cover all medium to high complexity work and be triggered by factors such as building size, use and location. |
| **3** | Establish a new licensing scheme to regulate who can carry out or supervise engineering work that has been restricted. |

### Proposal 1 - Establish a new voluntary certification scheme that provides assurance of an engineer’s professionalism and general competence and phase out CPEng.

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| **3.2.1** | Do you agree that there is a need for a statutory mark for engineers of professionalism and general competence to solve complex engineering problems? |
| |  |  | | --- | --- | | Yes | No |   Most BCAs do not have staff that are competent to assess specific design and are therefore reliant on the skill of the engineer involved. A 3rd party assessment of the engineer’s scope of expertise is needed.  There is no evidence however that substituting one engineering assessment/license/certification regime for another will improve engineering performance. |
| **3.2.2** | How well do you think CPEng currently provides this assurance? What do you think needs to change? |
| The current CPEng regime currently does not provide the scope of expertise for each engineer. More information about the engineers experience and hence scope limitation is required. |
| **3.2.3** | Do you agree that a new title is needed for engineers that have been certified? If so, do you have a view on what that title should be? |
| |  |  |  | | --- | --- | --- | | Certified engineer | Chartered engineer | Other (leave your suggestion below) |   KCDC thinks that introducing a new name would just add confusion and that it would be more useful to strengthen the existing CPEng regime. |
| **3.2.4** | For engineering work on buildings that does not require specialised skills, do you think certification would provide sufficient assurance of general competence and reduce the risks of substandard work? |
| |  |  | | --- | --- | | Yes | No |   This aligns with the current regime, and if the certification included scope limitations, BCAs would continue to rely on it. |

### Proposal 2 - Restrict who can carry out or supervise safety-critical structural, geotechnical and fire safety engineering work within the building sector. This would cover all medium-to-high complexity work and be triggered by factors such as building size, use and location.

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| **3.2.5** | Do you agree that life safety should be the priority focus determining what engineering work is restricted? |
| |  |  | | --- | --- | | Yes | No |   KCDC thinks that impact on neighbouring property should also be a priority focus |
| **3.2.6** | What combination of the following factors should be used to determine what engineering work is restricted: building size, building use, ground conditions, other? |
| |  |  |  |  | | --- | --- | --- | --- | | Building size | Building use | Ground conditions | Other (please specify below) |   Building use should include buildings where occupancy is high or users are vulnerable.  Ground conditions should be expanded to include other hazards. Coastal erosion and storm surge are increasingly becoming of concern. The end effects of sea walls can impact severely on adjacent properties.  Location may be important if a building failure could impact on other nearby property or where people may gather. We have recently areas evacuated, including apartments, whilst nearby buildings are assessed and/or demolished. |

### Proposal 3 - Establish a new licensing scheme to regulate who can carry out or supervise engineering work that has been restricted.

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| **3.2.7** | In your opinion, does geotechnical, structural and fire safety engineering work pose the greatest life safety risk in the building sector? |
| |  |  |  | | --- | --- | --- | |  | Yes | No | | Geotechnical work |  |  | | Structural work |  |  | | Fire safety engineering work |  |  | |
| **3.2.7a** | Do you think there are any other engineering specialities that pose greater life-safety risks in the building sector that are not included here? |
| |  |  | | --- | --- | | Yes | No |   Mechanical services have the potential to spread contaminants through a building or affect public reticulation. |
| **3.2.8** | 3.2.8 Do you agree that engineers should satisfy the requirements for certification before they could be assessed for licensing? |
| |  |  | | --- | --- | | Yes | No |   KCDC see no need for engineers to be both certified and licensed. KCDC considers that the existing CPEng regime should be strengthened to ensure that engineers with CPEng are competent to carry out the work for the areas scoped/assessed as competent. |
| **3.2.9** | What impact do you think the restrictions and licensing would have on the number of engineers who can carry out or supervise engineering work on buildings that require technical competence in a specialised field? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   Some engineers will be limited in the work they can undertake without peer review from other competent engineers. This would have a positive impact on building performance but may cause a shortfall in the availability of resource to design and supervise. |
| **3.2.9a** | Do you feel that there are enough engineers with the necessary technical competence to meet any new demand? |
| |  |  | | --- | --- | | Yes | No |   KCDC already experiences a lack of engineering expertise in the District. |
| **3.2.10** | 3.2.10 What impact do you think the restrictions and licensing would have on the cost of engaging an engineer? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   There is no reason why the fees charged by an engineers would increase. It may impact owners who currently seek out cheaper engineers who may not be working within the limits of their expertise. |
| **3.2.11** | How effective do you think the proposed restrictions and licensing would be in reducing the risks to public safety from substandard engineering work? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Not effective | Somewhat effective | | | Very effective | |  |  |  |  |  |   The risk based approach would mean that engineers with the right level of expertise for the job are engaged |
| **3.2.12** | If you engage a licensed engineer, would you feel confident that the engineer has the necessary technical competence to do the work? |
| |  |  | | --- | --- | | Yes | No |   They have been independently assessed. |
| **3.2.13** | Do you agree with the proposed grounds for discipline of licensed and certified engineers? |
| |  |  | | --- | --- | | Yes | No |   It will stop engineers working outside their area of expertise |
| **3.2.14** | Is there anything else that you think should be grounds for discipline? Are there any proposed grounds for discipline that you think should be modified or removed? |
| No |

### It will take time to establish a new regime and transition to it.

|  |  |
| --- | --- |
| 3.2.15 | What things should we consider when we develop transitional arrangements? What supports would you need to help you during this transition? |
| KCDC suggests a strengthening of the existing CPEng regime and believes that statements of the engineer’s area of experience are already provided at time of application. These could be used to describe an engineer’s scope limitation immediately and this could then be reviewed through competency re-assessment. KCDC recommends that the timeframe for competency re-assessment should be in line with LBPs (3 years). |
| **3.2.16** | **(For engineers who currently do not have CPEng or higher)** Would you be likely to apply for a licence (fire safety, geotechnical, structural)? |
|  |

### Final thoughts

|  |  |
| --- | --- |
| **3.2.17** | If you have any other comments on the proposals for engineers, please tell us. |
| BCAs are reliant on the expertise of engineers to achieve NZBC compliance for a building. There is an existing Producer Statement regime that is used by default. KCDC recommends that legislation (s19) explicitly allows BCAs to rely on statements from licensed/CPEng engineers and that the legislation recognise the use of producer statements more generally to confirm NZBC compliance. |

## Part 3.3 Occupational regulation of Plumbers, Gasfitters and Drainlayers

### MBIE wants stakeholders’ feedback on the three proposals:

|  |  |
| --- | --- |
| **1** | Repeal specific sanitary plumbing exemptions for householders in specified areas and for rural districts. |
| **2** | Repeal exemptions for restricted sanitary plumbing, gasfitting and drainlaying work under supervision. |

### Proposal 1 - Repeal the current sanitary plumbing exemptions for householders in specified areas and for rural districts, including the current Gazette notices for districts made under the Plumbers, Gasfitters and Drainlayers Act 1976.

|  |  |
| --- | --- |
| **3.3.1** | Have you encountered instances of hazards or health issues from sanitary plumbing work completed by unlicensed people? |
| |  |  | | --- | --- | | Yes | No |   Not an issue in our district |
| **3.3.2** | How often do you find work undertaken under a householders or a rural areas exemption that does not comply with the requirements of relevant codes and standards? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Never | Occasionally | Regularly | Often | Always | |  |  |  |  |  | |
| **3.3.3** | Do you think that a person should be qualified to do sanitary plumbing work on your property? |
| |  |  | | --- | --- | | Yes | No |   There are risks to health if not done correctly. |

### Proposal 2 - Repeal the exemptions for restricted sanitary plumbing, gasfitting and drainlaying work under supervision.

|  |  |
| --- | --- |
| **3.3.4** | How often do you find substandard work carried out under a supervision exemption? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Never | Occasionally | Regularly | Often | Always | |  |  |  |  |  |   Not an issue in our district |
| **3.3.5** | What benefits (if any) do you see from regulating people who are currently exempted if they work under supervision? |
| No comment |
| **3.3.6** | What potential issues (if any) do you see from removing the exemptions for doing restricted work under supervision? |
| No comment |
| **3.3.7** | What impacts (such as business impacts) would removing the supervision exemptions have on how your business is managed? |
| No comment |
| **3.3.8** | Do you support allowing people currently working under supervision exemptions to continue working as a regulated person under a new registration and licence? |
| No comment |
| **3.3.9** | Is anything else required to support the transition of exempted tradespeople to a new registration and licence? |
| No comment |

### Final thoughts

|  |  |
| --- | --- |
| **3.3.10** | If you have any other comments on the proposals for plumbers, drainlayers and gasfitters, please tell us. |
| No comment |

## Part 4 Risk and liability

### MBIE wants stakeholders’ feedback on the three proposals:

|  |  |
| --- | --- |
| **1** | Require guarantee and insurance products for residential new builds and significant alterations, and allow homeowners to actively opt out. |
| **2** | Leave the liability settings for building consent authorities unchanged. |

### Proposal 1 - Require a guarantee and insurance product to be in place for all residential new builds and significant alterations. Homeowners would have the choice to actively opt out of having a guarantee and insurance product.

|  |  |
| --- | --- |
| **4.1** | Do you support the proposal to require guarantee and insurance products for residential new builds and significant alterations? |
| |  |  | | --- | --- | | Yes | No |   KCDC is generally supportive of the proposal for a guarantee and insurance product (GIP) to be made available to all homeowners although it would prefer uptake of a GIP to be compulsory. This would alert homeowners to the risks associated with the building work.  There seems to be no justification for disclosure of GIPs on LIMs however. Homeowners will be motivated to disclose any GIP when selling their property. Homeowners could also be required to disclose the GIP on any sale and purchase agreement. It would be necessary for Councils to undertake development work on their systems to make the record to disclose on LIMs. Costs of record keeping, and disclosing would be reflected in increased fees. |
| **4.2** | Do you think homeowners should be able to actively opt out of having a guarantee and insurance product? |
| |  |  | | --- | --- | | Yes | No |   KCDC’s view is that GIPs must be mandatory to protect future homeowners rather than just the current owner who may have a different risk appetite. |
| **4.3** | Should there be conditions on when homeowners are able to opt out? What should these conditions be? |
| |  |  | | --- | --- | | Yes | No |   KCDC’s view is that there should be no provision for opting out. If it were an option each owner would be free to make their own assessment about the level of risk they will bear without consideration for future owners protection. |
| **4.4** | What types of buildings do you think should be required to have a guarantee and insurance product? (Please tick all that should apply.) |
| Standalone residential dwellings  Medium density housing (up to six storeys)  High density housing (over six storeys)  Mixed-used developments (i.e. where a part of the building is used as commercial premises, for example shops or offices.)  All these types have homeowners that may be affected by building failure. There may be matters to be considered with re-assignment to future homeowners particularly where there may be many owners for one building. |
| **4.5** | What threshold do you think the requirement for a guarantee and insurance product should be set at? |
| Residential building work over $30,000  Residential building work over $100,000  Residential building work that would impact the structure or weathertightness of the building.  Other (please tell us more in the comment box below)  KCDC considers that it should be the same threshold deemed significant enough to warrant a written contract. This would not preclude homeowners obtaining GIPs for work below the threshold. |
| **4.6** | Do you have any views on the minimum standards that should be set for a guarantee and insurance product?  For example: the type of product, the types of events that are covered, the minimum level of cover, the period of cover, the nature of redress, the maximum claim value, dispute resolution processes, the ability to transfer to new owners. |
| KCDC recommends that any GIP should fully repair or replace all building work, as per the scope of the building consent, for any event where the work has failed to meet building code requirements within the term up to 10 years from code compliance certificate (CCC) issue.  Our view is that it is essential that the GIP is in the name of the homeowner and is transferrable to subsequent owners.  As well as the multi owner issue (refer 4.4) it seems problematic to define a term unless there is legislative change to limit the time for an owner to obtain a code compliance certificate. Many builds have contracts that do not have the builder undertaking all the building work with homeowners electing to finish the work to save money. KCDC still has a backlog of elderly building consents without CCCs. This is increasingly problematic for owners as prospective purchasers, their lawyers, banks and insurers all become more cautious.  The Building Act 2004 introduced a point (2 years after granting a consent or longer if agreed) where the BCA must make a decision about issuing a CCC. This does not preclude owners making an application for a CCC at a later date (often when they come to sell their house). The long stop period in the Building Act can therefore extend for an infinite period. |
| **4.7** | What financial and prudential requirements do you think should be placed on providers, to ensure there is a continuing supply of guarantee and insurance products?  For example: reinsurance or other insurance backing, solvency, auditing requirements, security and prudential requirements. |
| It is important that GIPs are honoured if the product provider ceases business. |
| **4.8** | If residential new builds and significant alterations are required to have a guarantee and insurance product, what do you think the impacts will be? |
| Assuming that there will be providers willing to make GIPs available, KCDC expects the performance of constructors to come under scrutiny of GIP providers which would have a positive impact on the quality of the build.  Depending on the response to the timeframe issue, if homeowners were charged to extend the GIP until CCC was issued it may also have a positive effect in getting buildings completed. |
| **4.9** | **(For builders)** How difficult will it be for you to gain eligibility to offer a guarantee and insurance product? |

### MBIE proposes a two-year transition period.

|  |  |
| --- | --- |
| **4.10** | How long do you think the transition period for guarantee and insurance products needs to be to ensure providers, builders and BCAs are prepared for the changes? |
| |  |  |  | | --- | --- | --- | | Less than two years | Two years | More than two years |   BCAs currently do not have systems with the ability to record GIP information to provide on LIMs. Council budgets only once a year and this work would need to be programmed. |
| **4.11** | Is anything else needed to support the implementation of guarantee and insurance products? |
| |  |  | | --- | --- | | Yes | No |   If criteria are prescribed that a GIP must meet this will require the policy to record these matters. Forms will also need to be revised to record the information about the GIP that the Council will be obliged to disclose on LIMs. If Councils need to have a role in checking that information, this will be reflected in increased LIM fees. |

### Proposal 2 – Leave the liability settings for BCAs unchanged.

|  |  |
| --- | --- |
| **4.12** | If the government decides to make all the other changes in this discussion paper, do you agree that that the liability settings for BCAs will not need to be changed? |
| |  |  | | --- | --- | | Yes | No |   The current joint and several liability approach means that the ratepayer underwrites the homeowner risk. This situation will not improve with the introduction of GIPs as GIP providers can seek to recover costs. BCAs continue to be exposed to a disproportionate share of liability and yet cannot take measures to limit or avoid accountability as other parties can.  The proposal is to better inform homeowners about risks. The GIP options allow them to be informed and if they are not willing to accept the risk to put themselves in a position whereby they can limit the stress and expense (including legal fees) if there is a building failure.  Under these circumstances the fairness to the homeowner argument can no longer be used to justify ‘joint and several’ liability, and the fairness argument supports ‘proportionate’ liability. The costs unable to be recovered would fall to the GIP provider, who can adjust premiums, or the homeowner who was willing to take an informed risk. |
| **4.12a** | What area of work do you think will have the biggest impact on BCA consenting behaviour? |
| Products  Occupational regulation  Risk and liability  Building levy  Offences and penalties  None of these options as proposed will make an impact on BCA consenting behaviour.  If there was a national database of products that had already been assessed by the registration body, and upon which BCAs could rely it would speed up building consent processes, leading to faster more cost effective consenting. The reduced workload for BCAs would be reflected in building consent fee reductions that are likely to exceed the savings proposed as Levy reductions.  If a pro-active approach was taken to raising the capability of LBPs through training and rigorous assessment (as for BCA staff) this would have the most significant impact. Having designers and builders knowing how to do their work and not relying on the BCA to provide their training and assure the quality of their work would decrease the amount of rework. Improved efficiencies would lower costs and reduce wastage in the industry. |
| **4.13** | If the government decides to limit BCA liability, do you support the proposal to place a cap on BCA liability? |
| |  |  | | --- | --- | | Yes | No |   KCDC supports a cap if this reduces the amount of litigation, in that it would set a bar at which settlements could be reached. It may however leave BCAs settling at a rate higher than their liability to avoid the legal costs of litigation. Otherwise KCDC believes that ‘proportional’ liability is fairer to ratepayers than the status quo. |
| **4.14** | If there is a cap on BCA liability, do you agree that the cap should be set at 20 per cent? |
| |  |  | | --- | --- | | Yes | No |   This is generally the level awarded in the High Court. |
| **4.15** | If there is a cap on BCA liability, do you think BCAs should have to pay more than 20 per cent if they have contributed to more than 20 per cent of the losses? |
| |  |  | | --- | --- | | Yes | No |   Arguing to pay less than the cap incurs legal expenses for all parties. BCAs may be willing to accept a cap and settle without litigation if it was on an under and over basis. If there was the ability for litigation where the BCA was thought to be responsible for a greater share of costs, they would also need to consider challenging claims where they believed they had less responsibility and the cap then serves no purpose. |
| **4.16** | What do you think would be the impacts of placing a cap on BCA liability? |
| If there was a cap with no ability to claim higher amounts, there could be more settlements without litigation legal costs. Settlements can also be more timely than court cases in resolving issues or making compensation. |

### Final thoughts

|  |  |
| --- | --- |
| 4.17 | If you have any other comments on the proposals for risk and liability, please tell us. |
| There is no valid reason why ratepayers should underwrite building work. There may be alternatives to put the costs back where they belong with practitioners being required to carry insurance, including run out insurance for 10 years which would survive the closure of companies or bankruptcy of individuals.  Joint and several liability provides no feedback to poorly performing practitioners who have taken measures to avoid liability as there are currently no consequences for them. The present situation does nothing to encourage practitioners to do better. Proportionate liability would encourage participants to improve their quality assurance processes. |

## Part 5 Building levy

### MBIE wants stakeholders’ feedback on the three proposals:

|  |  |
| --- | --- |
| **1** | Reduce the rate of the levy from $2.01 to $1.50 including GST (per $1,000). |
| **2** | Standardise the threshold at $20,444 including GST. |
| **3** | Amend the Building Act to enable MBIE’s chief executive to spend the levy for purposes related to broader stewardship responsibilities in the building sector. |

### Proposal 1 - Reduce the rate of the building levy from $2.01 to $1.50.

|  |  |
| --- | --- |
| **5.1** | Do you agree that the levy rate should be reduced from $2.01 to $1.50? |
| |  |  | | --- | --- | | Yes | No |   KCDC believes that the scope could be widened to allow the levy to be used to set up and run a product registration service, to make adequate training available for the sector, and to implement and run a more rigorous assessment regime for practitioners (LBPs, Architects and Engineers) |
| **5.2** | **(For building consent authorities)** What impact, if any, would a reduced levy rate have on building consent authorities? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   It would reduce the commission received but not reduce the work. |
| **5.3** | Other than reduced building consent costs, what are the other impacts from reducing the current levy rate? |
| The reduction to building costs is insignificant (0.0005% of build cost).  KCDC proposes that more services are provided using levy reserves. Reducing the levy take would reduce the ability to continue to provide these services. |
| **5.4** | **(For building consent authorities)** How long would you need to implement the proposed changes to the building levy rate and threshold? |
| 0-3 months  3-6 months  6-12 months  12 months or longer  other (please tell us more)  The change would require resetting values within our existing systems |

### Proposal 2 - Standardise the threshold for the building levy at $20,444 including GST (per $1,000).

|  |  |
| --- | --- |
| **5.5** | Do you have any comments on standardising the threshold at $20,444? |
| KCDC already uses this threshold. Legislation should however be amended so that the threshold does not change again if GST changes. The work this creates is not justifiable. |

### Proposal 3 - Amend the Building Act’s provisions to enable the chief executive to spend the levy on activities related to stewardship responsibilities in the building sector.

|  |  |
| --- | --- |
| **5.6** | Do you agree that the Building Act should be amended so MBIE’s chief executive may spend the levy for purposes relating to building sector stewardship? |
| |  |  | | --- | --- | | Yes | No |   KCDC submits that the proposal does not give wide enough scope for the use of the Levy. Refer to 5.1 and other sections of this document. |

### We propose that the levy rate and threshold changes take effect on 1 July 2020.

|  |  |
| --- | --- |
| **5.7** | Do you agree with the proposed start date of 1 July 2020 for the changes to the building levy rate and threshold? |
| |  |  | | --- | --- | | Yes | No |   KCDC believes that the threshold is already set and that the levy rate should not be changed. |

### Final thoughts

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| --- | --- |
| **5.8** | If you have any other comments on the proposals for building levy, please tell us. |
| KCDC believes that central government needs to take a more active role the building process by supporting the BCAs and practitioners to raise standards. The levies should be used to achieve this. |

## Part 6 Offences, penalties and public notification

### MBIE wants stakeholders' feedback on four proposals:

|  |  |
| --- | --- |
| **1** | Increase the maximum financial penalties for all persons. |
| **2** | Set the maximum penalty levels differently for individuals and organisations. |
| **3** | Extend the time relevant enforcement agencies have to lay a charge under the Building Act, from six months to 12 months (section 378 of the Building Act). |
| **4** | Modify the definition of ‘publicly notify’ in section 7 of the Building Act. |

### Proposal 1 - Increase the maximum financial penalties.

|  |  |
| --- | --- |
| **6.1** | Are the current maximum penalty amounts in the Building Act appropriate? |
| |  |  | | --- | --- | | Yes | No |   Adjustments need to be made to align with other legislation (separate organisation and individual rates, and to reflect 2019 rates) |
| **6.2** | Do you agree with the proposed increases to maximum penalties? |
| |  |  | | --- | --- | | Yes | No | |

### Proposal 2 - Set the maximum penalties differently for individuals and organisations.

|  |  |
| --- | --- |
| **6.3** | Do you agree with introducing higher penalties for organisations? |
| |  |  | | --- | --- | | Yes | No |   Aligns with other legislation approach. |
| **6.4** | What impacts on the building industry could arise from this proposal if it is implemented? |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | Strong negative impact Negative impact No impact Positive impact Strong positive impact | | | | | |  |  |  |  |  |   Little impact is expected as few prosecutions are taken. Courts awarding higher penalties would have a deterrent effect. |

### Proposal 3 - Extend the time parties have to lay a charge under the Building Act, from six months to 12 months (section 378 of the Building Act).

|  |  |
| --- | --- |
| **6.5** | Do you think 12 months is an appropriate time period for relevant enforcement agencies to lay a charge? |
| |  |  | | --- | --- | | Yes | No |   KCDC processes and delegations in order to bring a prosecution are lengthy. The time extension would help KCDC consider prosecution as an enforcement option. |

### Proposal 4 - Modify the definition of ‘publicly notify’ in section 7 of the Building Act to remove the requirement to publish in daily newspapers circulating in each of the cities of Auckland, Hamilton, Wellington, Christchurch, and Dunedin. Public notification will still be required in a more modern form that is future proofed and publicly accessible.

|  |  |
| --- | --- |
| **6.6** | Do you agree that public notification under the Building Act should no longer be required in newspapers? |
| |  |  | | --- | --- | | Yes | No |   Largely obsolete in today’s society |
| **6.7** | Do you agree that publication on the internet and in the New Zealand Gazette is sufficient? |
| |  |  | | --- | --- | | Yes | No |   The internet is a more relevant means of communication today and likely to be seen by a wider audience. |

Final thoughts

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| --- | --- |
| **6.8** | If you have any other comments on the proposals for offences, penalties and public notification, please tell us. |
| Because of the cost of bring a prosecution, BCAs more often use lower levels of enforcement including infringements. KCDC considers that the infringement fines also need to be updated to reflect present day costs. |

## Overall feedback

### Thinking about this consultation, do you have any comments or suggestions to help us improve future consultations?

|  |  |
| --- | --- |
| 1 | What worked for you? |
| Kapiti Coast District Council (KCDC) supports the selection of the 5 areas for reform. The proposals largely seek to strengthen the existing Building Act provisions. KCDC is of the opinion that more intervention than that proposed will be necessary to improve the timeframes and cost effectiveness of the building process and make a real difference. |

|  |  |
| --- | --- |
| 2 | What would we do better? |
| The recurring theme is one of needing a robust building consenting regime that is faster and more cost effective. KCDC considers that it is the amount of duplication and re-work that causes delays and inevitably increases costs. More competent people will reduce the amount of re-work and centralising some assessment aspects will reduce time taken, and therefore costs, in the consenting processes. Practical ways of achieving this include;   * A national product register that is compulsory for certain product groups and simpler than the existing ‘Codemark’ regime as it is assessed to a ‘reasonable grounds’ standard * Legislating for producer statement regimes that allow BCAs to rely on the work of certain others (accompanied by the better definition of the limits of expertise of practitioners such as engineers) * Competency assessments for LBPs, Architects and Engineers that are as robust as those for building consent authority (BCA) officers * Provision of comprehensive training opportunities with assessment components for building practitioners in a variety of formats (roadshows, e-format).   KCDC supports the widening of the scope for which Levy money can be used. KCDC does not support reducing the Levy rate, provided the levy money is used for the purposes given above. KCDC considers that the efficiencies gained through implementation of the above measures will result in more significant cost savings for the homeowners than the proposed reduction in Levy.  There are also proposals that seek to address the risks of building failure. KCDC agrees that homeowners may not be aware of the risks associated with undertaking building work and is of the view that GIP uptake should be compulsory. With the availability of GIPs, KCDC considers that it is no longer justifiable to continue with joint and several liability which sees the ratepayer underwriting poor performance of practitioners.  While KCSC supports the proposal to increase maximum financial penalties, increasing the infringement fines used more commonly by BCAs would have a greater deterrent effect. |

|  |  |
| --- | --- |
| 3 | Any other comments or final thoughts? |
| MBIE as co-regulator needs to provide leadership, strong central direction, a focus on operational policy and more support for upskilling the whole sector.  Establishing a fit for purpose product assessment system and register would help better manage assessments and provide consistency for the benefit of designers and BCAs.  Introducing competency assessments for LBPs, Architects and Engineers at the same level as required for BCA Building Officers, would have the most impact on outcomes, saving both time and costs associated with re-work.  Widening the scope for which the Levy can be used provides an opportunity to make a quantum step change through MBIE using reserves to initiate a product registration service, and upskill practitioners. The levy could then be utilised to provide future training and monitor practitioner competence through robust assessment.  Changing from ‘joint and several’ to ‘proportional’ liability would see fairness restored to our ratepayers. Other options such as better information and availability of GIPs, or compulsory insurances for practitioners, should ensure the homeowner interests are protected. |