



Information Prepared for the Local Government New Zealand Conference from the Department of Building and Housing

July 2010



BUILDING CONSENT AUTHORITY ACCREDITATION PROGRESS UPDATE

By early July 2010, International Accreditation New Zealand (IANZ) had undertaken Phase 2 accreditation assessments of 72 local government building consent authorities (BCAs). Feedback from these BCAs is that there has been:

- the beginnings of a change in culture for them away from just compliance (tick box exercises) to quality
- efforts to streamline their building control systems and processes, which has significantly reduced the size and complexity of business processes (ie, as part of implementing the Phase 2 quality assurance requirements)
- more technically robust decision-making by BCAs
- increased management support for improvements and a more positive staff response to change proposals
- a shift in thinking whereby complaints to BCAs are now starting to be viewed as opportunities for improvement rather than needing to defend the status quo
- an increase in BCAs working together and sharing business systems, processes, resources and technical expertise within their region.

An example of greater collaboration:

- the Waikato cluster of BCAs has one building control coordinator across the 5 BCAs and operates a number of consistent and standardised systems, forms, and processes and shares technical resources and expertise, capitalising off the economies of scale in doing so and providing a more consistent and efficient service across their region.

Many BCAs have provided feedback that they now consider the accreditation standards simply reflect what ought to be seen as good business practice. For example, setting and monitoring achievement of goals (management review and internal auditing), improving performance and service delivery (a continuous improvement system), ensuring appropriate capability (a competency assessment and training system) managing documentation and records, and managing conflicts of interest, all accreditation requirements.

BUILDING ACT REVIEW: WHY IS THE REVIEW HAPPENING AND WHO WILL IT AFFECT?

As part of the Government's regulatory reform programme, the Building Act 2004 is being reviewed in response to concerns from the public and the building and construction sector about:

- Implementation of the Building Act at council level
- The costs and complexity of the building consent process
- Delays and costs caused by councils being too risk-averse in the building consent process.

The aim of the review will be to reduce the costs associated with the building control system in New Zealand, without compromising building quality. The review seeks the following results:

- Quality homes and buildings produced through an efficient regulatory framework
- Informed decisions by consumers and confidence in the building and housing market
- A productive sector where homes and buildings are built using the right skills and knowledge
- An efficient and cost-effective regulatory system.

Any changes to the Building Act 2004 as a result of the review will affect all New Zealanders, but particularly councils, building officials, building practitioners and homeowners.

Wide Debate on Proposals for Reform of the Building Act

The opportunity to comment on ways to improve the building control system has been taken up by hundreds of people in the building and construction sector, local government, and homeowners.

The Government is undertaking a major review of the Building Act, the law that governs the system for checking that buildings are constructed to be safe and to meet essential requirements.

Over 380 submissions were received and more than 1000 people have attended a series of meetings around the country to discuss the proposals. Local government building consent authority staff, builders, architects, engineers, designers, building surveyors, product suppliers, lawyers, homeowners and other interested people have been involved in the discussion. Many hundreds of written submissions have also come in.

Craig Hill, the Department's Acting Deputy Chief Executive Sector Capability, says it is good to see people taking the time to give their views.

'It's very helpful for us to get this feedback, because it will help us improve the existing systems. We've had a lot of useful comment on details that we need to work through.'

'There's generally support for the principle that where people with good skills are designing and constructing a relatively simple building project within their level of expertise, there is less need for council checking and oversight. The idea of clarifying the responsibilities of building professionals and tradespeople and consumers, through written contracts is widely supported.'

'However, there's considerable debate about the level of skill in the sector, whether practitioners in the sector are ready and willing to step up to take more responsibility, and how to determine whether building projects are lower risk.'

'We will be working through all the comments and submissions as we develop final proposals for the Government to decide on,' says Mr Hill.

Building Act Review proposals for consultation

Submissions were called for on the following proposals.

Moving to a more balanced building consent system

Lowest-risk building work would not need a building consent.

Low-risk building work such as a simple, one-storey house would go through a quicker and simpler consenting process with fewer council inspections and more reliance on the skills of licensed building practitioners to get it right the first time.

High-risk, more complex houses would continue to go through the current approval and inspection process.

Complex, major commercial building work would go through a simpler process than it currently does, recognising the experience and skills of those involved and that commercial contracts for major projects include quality control.

Rebalancing responsibility back towards building professionals and tradespeople

Building professionals and tradespeople would take more responsibility for making sure their work meets Building Code requirements. Licensing of building practitioners will help identify those with the relevant skills.

Better tools for consumers

Better equip homeowners to hold building contractors to account, with more information and mandatory written contracts setting out what's expected, how any faults would be fixed, how disputes would be resolved and details of financial backing (surety).

Further improvements

Make sure the fundamental elements of the system – the Building Code and the purpose and principles of the Building Act – are clear.

Explore ways of making the administration of the system more cost-effective.

Simplify processes to review the fire safety of building plans and the inspection and maintenance of essential systems such as fire sprinklers and lifts.

Examine whether the building consent system is the best way to regulate public infrastructure works such as bridges and tunnels.

Further information is available online at www.dbh.govt.nz/buildingactreview

WEATHERTIGHT UPDATE

On 17 May the Government announced its financial assistance package to help owners of leaky homes get their homes repaired faster.

The package centres on the Government and local authorities each contributing 25 percent of agreed repair costs and affected homeowners funding the remaining 50 percent backed by a government loan guarantee, provided applicants can meet bank lending criteria.

On 1 June Local Government New Zealand advised the Government that the eight councils in the most directly affected communities had agreed to support the package in principle and to work with the Government on developing the operational details.

The eight councils – Auckland, Christchurch, Manukau, Waitakere, North Shore, Tauranga, Wellington and Rodney District – represent around 90 percent of current leaky home claims. Other councils are considering the scheme and can opt in at a later date.

Retail banks have indicated willingness to work with the Government on developing the detail of the scheme.

The Government aims to have the scheme up and running early next year.

Further information is available online at www.dbh.govt.nz/ws-proposed-financial-assistance

LICENSED BUILDING PRACTITIONER (LBP) SCHEME

The LBP scheme is about the competence and accountability of building practitioners. The scheme recognises skills, experience and qualifications.

There are seven licence classes:

- Design
- Site
- Bricklaying and Blocklaying
- Carpentry
- External Plastering
- Foundations
- Roofing.

The LBP scheme was streamlined earlier this year, enabling competent building practitioners with recognised qualifications to apply using a faster and often cheaper process.

Competency and accountability

- competency standards are set by industry groups, including local government building officials
- experienced assessors check applicants' current competence
- ongoing competence is ensured through skills maintenance (CPD) requirements
- LBPs are accountable to an independent Building Practitioners Board
- the Board provides a fair and impartial complaints and investigation process
- penalties include fines, suspension and cancellation of license.

Restricted building work

Restricted building work is expected to start in 2012. All restricted building work will have to be carried out or supervised by a licensed building practitioner. We expect 20,000 people to be licensed by that time. There will be a workable exemption for DIY owner-builders.

Restricted building work will apply to:

- design and construction of foundations and framing of houses and small-medium apartment buildings
- design and construction of roofing and cladding of houses and small-medium sized apartment buildings
- design of active fire alarm systems in small-medium sized apartments

Restricted building work will not apply to building work that does not need a building consent.

More information

Visit www.dbh.govt.nz/LBP or phone 0800 60 60 50. Stay up-to-date with licensing news with our free newsletter *Licensing Update* at www.dbh.govt.nz/lbp-licensing-update

ABOUT THE DEPARTMENT

- Our aim is for New Zealand's buildings to be better built, safer, healthier and longer-lasting, while also being affordable.
- We set and apply standards for building quality that are clear and reliable.
- We work with local authorities and practitioners to lift skills and standards in the building sector.
- We work in partnership with local authorities so that together we can do our jobs well and deliver value for money.

Where the Department has come from and where we are going

- The Department was set up in November 2004 to improve building and housing in New Zealand.
- Building and housing are very important to the economy and to people's daily lives. Because of this, a single government agency was needed to work with the sector as a whole. Until then, five different government agencies had worked on building and housing issues.
- The Department is continuing to change and develop. We give advice and make rules for building and housing, and we also provide a number of tenancy services.
- We are also working closely with others to deal with the longer-term challenges facing building and housing in New Zealand.
- We are making sure we deliver value for clients by providing valued services while keeping our costs down.

The Department's responsibilities

The Department has an overriding responsibility to ensure that all our activities are managed efficiently and effectively and deliver real value in line with Government priorities.

The Department:

- ensures the regulatory environment for the sector, including the residential rental housing market, is effective and efficient and ensures public health and safety
- provides policy advice to the Government on housing and building issues
- delivers timely, cost-effective and accessible information, advice and dispute resolution services
- provides advice to the Government on Housing New Zealand Corporation performance
- manages occupational licensing within the building sector
- administers the State Housing Appeals Authority and the following legislation:
 - Building Act 2004
 - Chartered Professional Engineers of New Zealand Act 2002
 - Construction Contracts Act 2002
 - Electricity Act 1992
 - Registered Architects Act 2005
 - Weathertight Homes Resolution Services Act 2006.
 - Plumbers, Gasfitters, and Drainlayers Act 2006
 - Engineering Associates Act 1961
 - Fencing of Swimming Pools Act 1987
 - Residential Tenancies Act 1986
 - Retirement Villages Act 2003
 - Unit Titles Act 1972

Department's priorities for 2010/11

The Department's medium term outcomes are to ensure:

- A cost-effective regulatory environment for the sector that ensures public health and safety and good quality, affordable homes and buildings
- A market that delivers a range of houses and buildings, at prices and standards that are accessible to all New Zealanders
- A productive and innovative building and housing sector that has the right information, skills, systems and technology to do the job well and deliver good quality, affordable homes and buildings
- People participate with confidence in the building and housing market and resolve disputes in timely and cost-effective ways.