



Building consent authority update

August 2010



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GST INCREASE AND THE BUILDING LEVY

As you know, Goods and Services Tax (GST) is due to increase from 12.5 to 15 percent from 1 October 2010. This means the GST component of the building levy will also increase from that time.

Section 78 of the GST Act provides that when the rate of GST is increased, a fee, charge, or other amount set or determined by an Act or regulation, is increased by the amount of the increase in GST.

No changes are needed to the regulations for this to occur. The new GST rate will automatically apply from 1 October to all fees, including where the fees specified in regulations include GST at 12.5 percent, as is the case for the building levy. The increase is mandatory and cannot be absorbed within the current levy.

The rate of the building levy is GST inclusive meaning that from 1 October the rate of the levy will increase to \$2.01 for every \$1,000 (or part of \$1,000) of the estimated value of the building work for which a building consent is issued.

In addition to the above, the estimated value of the building work will also increase as a result of the GST increase to 15 percent.

Building levies collected up to and including 30 September 2010 (but which may not be due to be paid by 20 October 2010) will be based on the current rate which is inclusive of GST at 12.5 percent. Building levies collected on or after 1 October 2010 will attract the new GST rate of 15 percent.

SECTOR TRAINING ON THE NATIONAL BCA COMPETENCY ASSESSMENT SYSTEM GETS UNDER WAY

WHAT IS THE NATIONAL COMPETENCY ASSESSMENT SYSTEM?

The national competency assessment system is a framework to help BCAs assess the competency of its technical building control staff. It uses a national set of performance indicators which define what 'competent' is in the building control context.



HOW WAS THE SYSTEM DEVELOPED?

A Sector Advisory Group was set up to develop evaluation criteria, consider framework documents and make recommendations to the Department. The Advisory Group also ensured steps in the framework were based on critical technical criteria.

A small project team was established to evaluate existing systems and develop a draft national system for pilot testing.

Pilot testing of the framework was completed by BCAs in Auckland, Bay of Plenty, Wellington, Nelson and Queenstown.

Sector Advisory Group members included:

- Bob de Leur, Manager Building Policy – Auckland City Council

- Richard Toner, Chief Building Officer – Wellington City Council, representing BOINZ
- Jeff Farrell, Manager Development & Compliance – Whakatane District Council
- Bevan Smith, Director – Professional Building Consultants
- Irene Clarke, Manager Environment and Regulation – Local Government New Zealand
- Geoff Hallam, Technical Development and Regulatory Affairs Manager – IANZ
- Mark Scully, Manager Building Practitioners Licensing Group – DBH
- Steve Garner, Project Manager – DBH
- Malcolm MacMillan, Manager Consent Authority Performance – DBH (Chair of Advisory Group)

Project Team members included:

- Steve Garner, Project Manager – DBH
- Peter Sparrow, Senior Advisor Performance Monitoring & Review – DBH
- Paul Hobbs, Advisor Performance Monitoring & Review – DBH
- Beryl Oldham, People Capability Manager – North Shore City Council
- Rose McLaughlan, Managing Director – NZ Building Inspection & Training Ltd
- Keith Smith, Building Consultant – Alpha Building Consultants Ltd
- Rosemary Hazlewood, National Training Director – Building Networks Ltd

HOW DOES THE SYSTEM DIFFER FROM EXISTING SYSTEMS?

The new system moves away to some degree from building types or categories to a greater focus on competency levels. This eliminates a growing list of building types and instead focuses on competencies required to undertake the work.

The new system establishes performance indicators and guidance for assessors for each core competency required by Regulation 10 of the Accreditation regulations. The process shifts some of the responsibility for gathering evidence of competency to the individual building officials being assessed, making assessment more collaborative.

WHAT ARE THE NEW NATIONWIDE COMPETENCY LEVELS?

There are now six competency levels divided into three residential levels and three commercial levels. The levels are based on the complexity of the elements that make up the building and the competencies required to undertake the work, rather than the building itself. The levels in some areas are not sequential (e.g., Commercial 3 does not necessarily mean a person can do Commercial 1 or Residential 1 because they may have little

understanding of light timber frame construction). Examples of the type of building work associated with each competency level are detailed to the right.

NATIONAL BCA COMPETENCY ASSESSMENT SYSTEM

Residential 1
<u>Residential Outbuildings/Ancillary buildings</u> - as defined by the Building Regulations 1992. <u>Detached Dwellings (SH)</u> designed to a common standard (e.g., NZS 3604, NZS 4229) that are <u>single storey</u> and have an <u>E2/AS1 risk matrix score less than or equal to 6</u> .
Residential 2
<u>Detached Dwellings (SH)</u> designed to a common standard (e.g., NZS 3604, NZS 4229) that are <u>less than or equal to two stories</u> and have an <u>E2/AS1 risk matrix score less than or equal to 12</u> .
Residential 3
<u>Detached Dwellings (SH)</u> or <u>other dwellings (SR)</u> that are <u>less than or equal to three stories</u> but limited to <u>vertical plane fire separation</u> and direct egress to the outside. E2/AS1 risk score of 13-20. ¹
Commercial 1
Commercial/industrial and communal non-residential buildings and their associated outbuildings and ancillary buildings <u>equal to or less than two stories</u> and an occupancy load of <u>equal to or less than 100 people</u> or <u>SR or SA residential buildings up to two stories</u> and with <u>horizontal fire separation</u> .
Commercial 2
Commercial/industrial/communal residential and communal non-residential buildings equal to or less than <u>four stories</u> and an occupancy load of equal to or less than <u>500 people</u> or <u>SC or SD single storey</u> .
Commercial 3
All uses of buildings that are <u>over four stories</u> high, or contain <u>over 500 occupants</u> or <u>SC or SD greater than single storey</u> .

¹ This level also includes specifically designed residential cladding systems, components, detailing and junctions and where a risk matrix score of greater than 20 has been calculated (the building's height must not exceed three stories).

01HOW DO I TRANSITION TO THE NEW NATIONWIDE SYSTEM?

The new nationwide system does not require BCAs to redo all of their competency assessments right away.

The system has been designed to allow BCAs to map their existing building categories against the new national levels. This can be achieved by considering the existing building types in the existing building categorisation system against the new competency level descriptions in the new system.

For most BCAs it should then be possible to 'move' staff with existing competencies across to the new system after considering how well their competencies match the new national standards and noting any areas of supervision of training or any restrictions such as 'building only' or 'plumbing and drainage only.' Templates to record your 'mapping' of categories and the outcome of the transition have been developed as part of the system guidance material.

Assessment tools have also been developed to help assess a new person with little or no BCA experience and an existing building official moving up a level or levels within the new system.

ENROL FOR TRAINING

The Department of Building and Housing is providing intensive two-day training workshops to train assessors in the:

- technical detail of the nation wide BCA competency assessment system
- process, methods and techniques in undertaking competency assessments.

If you are proposing to undertake competency assessments of building officials (and administration staff undertaking technical functions) within a BCA and are interested in adopting the new nationwide system, you should consider signing up for assessor training.

One of the key success factors to this new nationwide system will be getting the right people undertaking competency assessments. Undertaking competency assessments is in its own right quite a skilled discipline and not everyone can master this task. We have identified that not everyone currently undertaking competency assessments within BCAs is necessarily the right person to be doing these. For this reason the Department has developed an assessor specification.

We ask that people interested in being competency assessors for the new nationwide system take an honest look at themselves against this assessor

specification below and make a sensible judgement about whether they meet these criteria or not. If you do, consider signing up for a training workshop. If you don't, consider having someone else within your organisation apply who does, or rely on neighbouring BCAs and their trained assessors or contractors in the market to deliver competency assessments to the national system for your organisation. This is a completely legitimate approach.

NATIONAL BCA COMPETENCY ASSESSMENT SYSTEM ASSESSOR TRAINING WORKSHOPS 2010

Location	Venue	Approximate Spaces Available	Date
Christchurch	DBH Office Riccarton	18 Total Spaces still available	23-24 August
Rotorua	Rotorua District Council	18 Total Fully booked	6-7 September
Dunedin	Dunedin City Council	18 Total Fully booked	15-16 September
Palmerston North	Palmerston North City Council	18 Total Fully booked	22-26 September
Wellington	DBH Office CBD	18 Total Spaces still available	30 Sept- 1 October
Auckland	DBH Office CBD	18 Total Fully booked	12-13 October
Wellington	DBH Office CBD	18 Total Spaces still available	4-5 November

To register your enrolment, please send your name, position within your organisation, organisation name, contact phone number and email address to Lana Johnson at lane.johnson@dbh.govt.nz with a preference for which training workshop you wish to attend. Spaces are very limited given budgetary constraints and other work priorities, so we will operate on a first in, first served approach.

To help offset the costs of developing and providing this training initiative, there is an \$89.00 registration fee. This will help contribute towards some of the costs incurred by the Department in running these events, which include training facilitators, catering, travel and accommodation for trainers and the publication costs of the system guide provided to each course participant. We will invoice course participants for course payment once they have registered.

ASSESSOR SPECIFICATION

Competency assessor specification

An assessor needs to be a person trained in assessment theory and practice and with appropriate technical building control skills, knowledge and expertise to undertake an assessment.

An assessor must have appropriate experience in the building control sector.

Assessor requirements

1. Has appropriate experience in the building control sector.

Guidance for assessor candidates

1. Examples include, but are not limited to, the following.
 - a. Minimum of five years' experience in the building control sector.
 - b. Is a team leader, manager or a senior specialist or senior consultant working in the building control sector.
 - c. Has current experience of making regulatory building control decisions.
 - d. Has participated in BCA accreditation activities and audits within a BCA or for International Accreditation New Zealand as a technical expert.
 - e. Has intimate knowledge and understanding of the BCA's building control policies and procedures

An assessor must have current and comprehensive technical and legislative knowledge and understanding.

Assessor requirements

2. Keeps up to date on legislative and regulatory changes.
3. Knows their technical limitations, and works within these.
4. Has comprehensive technical knowledge in relation to processing building consent applications and inspecting building work.
5. Has comprehensive technical knowledge in relation to issuing legislative approvals and notices (e.g., CCCs, NTF etc).
6. Has undertaken assessor training on the National BCA Competency Assessment System.

Guidance for assessor candidates

2. Examples include, but are not limited to, the following.
 - a. Is aware of relevant and current guidance provided by the Department of Building and Housing.
 - b. Provides technical leadership within a BCA.
 - c. Has undertaken both building consent processing and inspection of building work.
 - d. Has issued legislative forms and notices such as notices to fix, building consents, code compliance certificates etc.
 - e. Understands how the National BCA Competency Assessment System's competency specifications work and where they would fit.
 - f. Seeks assistance when outside their limitations.

An assessor must have credibility and experience in undertaking assessment.

Assessor requirements

- 7. Has credibility with candidates, peers and management.
- 8. Has the skill, knowledge, and ability to assess a candidate's evidence in the workplace using assessment guides and standards.

Guidance for assessor candidates

- 3. Examples include, but are not limited to, the following.
 - a. Is aware of relevant and current guidance provided by the Department of Building and Housing.
 - b. Has excellent working relationships with people within the organisation and is regarded as technically competent by peers.
 - c. Has the ability to perform assessments without bias or conflict of interest.
 - d. Has undertaken competency assessments in the past.
 - e. Acknowledges their own technical limitations and recognises when additional technical expertise is required.
 - f. Is able to make a judgment whether the candidate is competent.
 - g. Ability to keep records and make sure requirements are fulfilled.
 - h. Has an interest in training and assessment.

An assessor must have excellent communication skills.

Assessor requirements

- 9. Communicates well with internal and external people.
- 10. Demonstrates good active listening, questioning and assertiveness skills in dealing with day-to-day tasks and responsibilities.

Guidance for assessor candidates

- 4. Examples include, but are not limited to, the following.
 - a. Can communicate well with all involved in assessment.
 - b. Appears confident and has a good understanding of building-related subject matter when dealing with candidates and building sector professionals.
 - c. Can clarify and present information in a succinct and meaningful manner.
 - d. Is able to consistently produce accurate written reports in relation to candidate assessment.
 - e. Has good analytical skills and is able to evaluate evidence.
 - f. Is able to clearly articulate findings and provide feedback to candidates when required.
 - g. Has experience undertaking interviews or assessments and recorded appropriate outcomes.
 - h. Presents a convincing and rational argument in support of decisions made.
 - i. Is able to provide instruction to people on technical matters (teaching/mentoring).

WHO CAN I ASK MORE QUESTIONS TO ABOUT THIS SYSTEM?

Technical enquiries can be directed to Peter Sparrow, Senior Advisor Performance Monitoring & Review at the Department of Building and Housing at peter.sparrow@dbh.govt.nz or Paul Hobbs, Advisor Performance Monitoring & Review at paul.hobbs@dbh.govt.nz or you can call 0800 242 243.

BUILDING ACT REVIEW RESULTS AND NEXT STEPS

A number of changes are to be made to the way building and construction is regulated, that will contribute to a more productive, efficient and accountable building and construction sector.

ACCOUNTABILITY IN BUILDING AND CONSTRUCTION

The Building Act will be amended so that it's clearer to builders, designers, building consent authorities and consumers who's accountable for what.

New measures will also be introduced to make it easier for homeowners to hold builders to account.

The amendments to the Act will make it clear that:

- designers are accountable for ensuring that their plans, specifications and advice will meet the requirements of the Building Code
- builders are accountable for building to any approved plans and specifications, or if there are no approved plans or specifications then they are accountable for meeting the requirements of the Building Code
- owners of building work are accountable for getting any necessary approvals. If they change the plans or specifications, or do the building work themselves, then they are accountable for meeting the requirements of the Building Code.
- building consent authorities are accountable for checking that others are doing their part - including checking plans and specifications for Building Code compliance, checking at any prescribed inspection points that work is done in accordance with the plans and specifications, approving any critical variations and certifying that the work has been completed in accordance with the consent.

Necessary changes

The Building Act review found that the building control system is out of balance, with an unduly heavy reliance on building consent authorities to identify and correct inadequacies in building design and construction.

Building consent authorities are inclined to err on the side of caution, partly in response to the weathertightness crisis, and this has led to a level of checking and inspection that may be higher than necessary for low-risk work. This can cause delays and extra compliance costs.

The weathertightness crisis has also shown that it can be difficult for homeowners to hold those responsible for problems to account.

Legal liability

The Government will review whether there is a need for change to the joint and several legal liability framework as it applies in the building and construction sector. 'Joint and several' applies when someone, for example the owner of a leaky home, sues for liability in negligence.

It means that all the parties who have contributed to the specific problem with the building, by not doing their job properly, are legally obligated to meet the full cost of fixing the problem. This may include for example the council, the developer, architect, builder and sub-contractors. When more than one party has contributed to the problem, the full costs can be shared between the parties. In the event that one or more of the parties is unable to meet their share of the costs (for example if they have gone out of business) then their share must also be covered by those who can pay.

In practice in weathertightness cases, this has seen local authorities carrying between 40 and 70 percent of the total cost of settlements. It has also seen other parties being found liable for amounts that they perceive as out of proportion to their actions.

What's the problem with 'joint and several'?

Many of those who made submissions during the review expressed the view that the application of joint and several liability in weathertightness cases may be contributing to:

- building professionals and trades people seeking to protect themselves through measures such as limited liability companies and a reluctance to take on some types of work
- risk averse behaviour by local authorities that is resulting in more inspections and greater-than-necessary compliance costs.

Some submissions also noted that any change would potentially leave homeowners more vulnerable, because if one party is unable to pay then the homeowner would be left 'out of pocket'.

Review of the issues

The Department of Building and Housing will involve external experts and other relevant Government agencies in the review of joint and several liability in the building and construction sector. It is due to be completed by March 2011.

CONSUMER SUPPORT

The Building Act 2004 will be amended to require a written contract between building contractors and consumers for all projects above \$20,000, together with more information disclosure, clearer obligations and new legal remedies.

Contracts

Every contract will have to include the already-existing warranties in the Building Act that require building work to be fit for purpose, meet the Building Code and be undertaken with reasonable care and skill (among other requirements).

The contract will also have to include

- agreement to repair, replace or compensate for defects (provided there has not been misuse or negligent damage)
- the process that will be followed if a dispute arises
- details of what, if any surety or insurance backing is available to cover the cost of fixing any problems.

The person commissioning the building work and the building contractor, who could be an individual or a company, will have to sign the contract. For example, the contracting party may be a designer who goes on to manage the building project, a building company, or an individual building practitioner.

Putting this right

Building work is already covered by implied warranties that apply for up to 10 years, but the Act will be amended to include even stronger obligations on the building contractor to “put things right”, in respect of defects that are notified by the consumer during the first 12 months after completion. During this first 12 months the building contractor normally will be expected to remedy any defects (or replace faulty material) - as a matter of routine. The onus will be on the contractor to fix the defect, or prove the request was unreasonable, rather than on the consumer.

Twelve month defect repair period

Buildings and building work are not like other goods and services (such as appliances) because:

- the condition of a damaged building can deteriorate over time and this can lead to escalating repair costs;
- some types of damage can give rise to health or safety risks;
- litigation and disputes are more likely, the longer a matter (relating to defective building work) is left unaddressed.

The weathertightness crisis has made it clear that early detection and repair of defective building work is critically important. The purpose of establishing a 12-month defect repair period is to:

- help to ensure that poor performing building contractors, who are not willing to stand behind their work, do not have a competitive advantage;
- motivate building contractors to “build right first time”;
- give consumers a strong incentive to identify any problems, and alert the building contractor, without delay.

At the same time, consumers will get more information about what maintenance they need to carry out.

Information provided by the building contractor

The building contractor will have to give the consumer information before the contract is signed about the skills, qualifications and license status of those who will do the work and any publicly-available information about any disputes (for example the results of any court judgments). They will also have to disclose what, if any, surety or insurance backing they have, to cover the cost of fixing any faults.

Subsequent owners

Critical information will be available on the Land Information Memorandum, including:

- identity of the principal building contractor; and
- details of any guarantee or insurance which has been purchased for the building.

Reason for the changes

Many New Zealanders only rarely commission building work, and have limited knowledge of how best to manage the risks involved.

These measures are intended to help New Zealanders who are building or renovating homes to hold builders to account and get any faults fixed more quickly and cheaply.

They are also intended to encourage builders to ‘build right first time’ because they will be clearly accountable for fixing their own mistakes, at their own cost.

PROPOSED CHANGES TO BUILDING CONSENT PROCESS

The Building Act will be amended to more clearly set the framework for a stepped, risk-based building consent system where the amount of plan checking and inspection is aligned with the risk and complexity of the work, and the skills and capability of the people doing the work. This system will be ‘activated’ only once other quality assurance measures are in place (after mid-2012).

Stepped risk based consenting

The key elements of the proposed stepped building consent system are:

1. a streamlined building consent process for some low-risk work (such as a free-standing garage or large rural shed) that simply checks that certain conditions are met (for example the work is undertaken by a licensed building practitioner) but involves no further inspections by building consent authorities
2. a simplified and more prescribed consenting process for certain simple residential building work at the lower-risk end of the spectrum (such as a simple single-storey house built using proven methods and design with low structural and weathertightness risks)
3. existing consent and inspection requirements for moderate- to high-risk residential building work, such as a multi-story house of complex design, and for lower-risk building work not involving a suitably qualified building practitioner
4. new building consent processes and requirements for commercial buildings, to provide for reliance on third-party (non-building consent authority) review and quality assurance processes as an alternative to the current consenting and inspection requirements provided certain conditions are met.

Timing of a the new consenting system

Stepped consenting will be 'activated' once certain pre-conditions are met, to ensure building quality is not compromised. This will not happen until mid-2012 at the earliest.

The quality assurance measures that need to be in place include:

- greater awareness and understanding of the performance requirements of the Building Code and of how to comply with them
- a base of competent practitioners in the sector, the cornerstone of which is the Licensed Building Practitioners Scheme
- strengthened contracting requirements and related measures in the residential construction sector
- an effective monitoring regime.

Section 363B of the Building Act

Section 363B of the Building Act 2004 is being repealed.

There are other controls that better address risks to public health and safety from uncertified building work undertaken before 2005.

Section 363B required owners of public buildings where building work for which a building consent was required was undertaken between 1 July 1992 and 31 March 2005 to ensure they have a code compliance certificate, a certificate of acceptance (if the Council is unable or refuses to issue a code compliance certificate) or a certificate for public use (if the work has not been completed) by 31 March 2010.

Building Warrant of Fitness regime improvement

Amendments to the Building Act will clarify aspects of the Building Warrant of Fitness regime. This applies to buildings with certain systems critical to life and safety, for example sprinklers, fire alarms and lifts.

There is some lack of clarity about exactly what is covered and some inconsistency in the way requirements are interpreted and applied.

Code Compliance Certificate and Compliance Documents

The terms 'Code Compliance Certificate' and 'Compliance Documents' will be changed as part of amending the Building Act, to reduce confusion.

A Code Compliance Certificate is issued when a building consent authority is satisfied that building work complies with the building consent. The name is to be changed to make it clear that this document is not an absolute guarantee that the work is Code compliant, but that it records that the process has been completed.

A Compliance Document describes one way, but not the only way, of achieving compliance with the Building Code. Feedback from the review suggested that people think they have no choice but to follow the methods set out in a Compliance Document. The terms 'Acceptable Solution' and 'Verification Method' are preferred alternatives.

SCHEDULE 1 - EXEMPTIONS

The Government is moving to exempt a broader range of building work from needing a building consent by adding to Schedule 1 of the Building Act.

The exact date depends on regulations being passed, but this is expected to happen later this year (2010).

Exempt work

All exempt work must still meet the Building Code and other relevant regulations, such as the provisions of the Plumbers, Gasfitters and

Drainlayers Act 2006 and the Electricity Act 1992, and district plan requirements.

The planned exemptions include:

- Replacement or alteration of internal wall and floor linings and finishes in a dwelling.
- Adding lightweight stalls (e.g., used at fairs and exhibitions) to the current exemption for tents and marquees.
- Fabric shade sails and associated structural supports that do not exceed 50 square metres in area (with limitations on matters such as the level on which the sails are installed and distance from a legal boundary).
- Installation, replacement or alteration of thermal insulation in existing buildings (excluding exterior walls and fire walls). This clarifies that retrofitting ceiling and underfloor insulation will not need a consent.
- Penetrations with a maximum diameter of 300mm (including associated weatherproofing, fireproofing and any other finishings) to enable the passage of pipes, cables, ducts, wires, hoses and the like through any existing building. This clarifies that for example a heat pump can be installed without needing a consent, although the wiring must be done by a registered electrician.
- Signs and associated structural supports where the sign is no more than 3 metres high and the face area of the sign does not exceed 6 square metres.
- Height restriction gantries (e.g. a vehicle height warning in a car park).
- Private playground equipment used in association with a single household where no part of the equipment extends more than 3 metres above the ground.

Exempt if carried out in accordance with the Plumbers, Gasfitters and Drainlayers Act 2006

- Replacement (including repositioning) of most water heaters.

Exempt if carried out if designed by a Chartered Professional Engineer (CPEng)

- Signs and plinths.
- Retaining walls in a rural zone that retain not more than 3 metres depth of ground with limitations on matters such as the distance from any legal boundary or any existing building.
- Playground equipment installed in a public place for a government department, Crown

entity (including a school), licensed early childhood centre or a local authority.

In addition, Schedule 1 will be amended to clarify the following existing exemptions.

- Additions to clarify that the current exemption relating to internal walls does not include load-bearing or bracing element walls (i.e., as originally approved by Cabinet in May 2008) or any part of a wall that is fire-rated or part of a specified system.
- Increasing the height of exempted fences and hoardings from 2m to 2.5m.
- Adding to the exemption for tanks and pools to allow a wider range of volume-height configurations than are currently provided for.
- Increasing the size of marquees and tents for public events to 100 square metres (i.e., the same as is currently allowed for private events).
- Increasing the height of exempted platforms and bridges from 1m to 1.5m and adding the term 'boardwalks' and 'decks'.
- Increasing the floor area of exempted porches and verandahs from 15 square metres to 20 square metres, adding carports to the same exemption and removing the requirement that the structure be over a deck or a patio.
- Increasing the area of exempted awnings from 15 square metres to 20 square metres and adding the term 'canopies' to the same exemption.

Exempt if carried out in accordance with the Plumbers, Gasfitters and Drainlayers Act 2006

- Adding to the existing exemption allowing alterations to sanitary plumbing the clarification that the exemption excludes water heaters (which are now covered by a separate exemption) and does not permit the total number of sanitary fixtures in a dwelling to be increased.

NATIONALLY CONSISTENT SYSTEM

The Government is doing further work on how it could make the current administration of the building consent system more nationally consistent and efficient.

The Department of Building and Housing will involve local government in preparing a preferred approach for consideration by the end of March 2011.

A 'nationally consistent' system

A nationally consistent system, supporting local delivery, would have the following attributes:

- accessible and nationally consistent building consent application requirements and processes for consumers
- consistent interpretation of national building performance requirements and associated building consent decision processes
- timely, responsive and predictable services for consumers
- efficient use of scarce specialist skills, capital and other resources
- administratively efficient and cost-effective system performance
- the ability to quickly and effectively implement and respond to changes in Building Code requirements, and associated building consent and other regulatory requirements
- effective use of local information on building performance and regulatory compliance to inform and modify national policies, building performance requirements and other regulatory settings
- seamless integration with resource management and local planning, and other related activities.

Importance of consistency

Currently 75 building consent authorities process around 70,000 consents per year, an average of less than 1,000 per authority. Based on data for 2008/09, 17 building consent authorities issued fewer than 500 consents, while only nine issuing more than 2000 consents.

The Building Act review looked at options for more regional or national back office support for local delivery, including using on-line consenting systems. It found that the cost of consent production could be reduced by an estimated 40%, with nationwide savings of around \$250m over five years.

WHO CAN HAVE A SAY

The proposed amendments to the Building Act will be considered by a parliamentary select committee which will call for submissions.

WHEN WILL THESE CHANGES HAPPEN

These changes will be phased in over time. More work will be exempted from requiring a building consent later this year (2010).

Amendments to the Building Act will be considered by Parliament as soon as possible. New consumer support measures are expected to take effect from later in 2011. Changes to the Building consent system will be made after mid-2012.

WHY ARE THESE CHANGES NECESSARY

There has been a general improvement in building quality since the Building Act 2004 was introduced. However the Building Act review found that the current system is more costly than necessary and less efficient than it could be, and does not provide incentives to improve productivity.

The review found that while there are many people doing good work in the sector, where problems arise it is difficult for homeowners to hold those responsible for the problems to account.

The changes outlined here are intended to encourage those working in the sector to improve their skills and capability, to 'build right first time' and increase efficiency and productivity.

HOW WAS THE BUILDING ACT REVIEW CARRIED OUT

The review was conducted by the Department of Building and Housing with input and advice from a Sector Reference Group. A discussion document was issued in February 2010 and more than 380 submissions were received. You can read a summary of the submissions at www.dbh.govt.nz/buildingactreview.

The Department also consulted representatives of the building and construction sector, consumer groups and central and local government on specific issues.

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