



# Building consent authority accreditation and registration scheme update

June 2007



The first on-site assessment for accreditation as a building consent authority took place at the end of May.

A five-person team from International Accreditation New Zealand (IANZ) spent three days at Palmerston North City Council. The Council had a very successful assessment, with only a few relatively minor issues to address over the next few weeks before IANZ can recommend it for accreditation.

The Department of Building and Housing congratulates the Council on its hard work over the past 2 years in preparing for accreditation. The on-site visit shows the Council did very well, pitching its systems design and resources at just the right level.

All 85 territorial and regional authorities (councils) are required by the Building Act 2004 to be accredited and registered as building consent authorities, or to have transferred their building control functions, by 30 November 2007.

This update explains the status of activities the Department has undertaken as part of its implementation of the building consent authority scheme.

Specifically, it addresses:

- building consent authority accreditation fees
- the Government's building consent authority accreditation assistance package
- issues raised at recent Local Government New Zealand zone meetings attended by the Department's senior management
- consultation on proposed standards and criteria for the registration of building consent authorities
- feedback from IANZ on their initial assessment of accreditation applicants
- a request for registrations of interest to identify providers to assist building consent authorities to achieve accreditation.

## Accreditation fees

The Government has set the fees that councils will pay IANZ for assessment against the standards and criteria for accreditation as building consent authorities.

The Building (Consent Authority Accreditation Fees) Regulations 2007 were published in the *New Zealand Gazette* on 3 May 2007 and took effect on 4 May 2007.

The regulations require the fees to be paid at the time of application.

There are eight fee bands for initial applications:

TOTAL VALUE OF BUILDING WORK CONSENTED (ANNUAL AVERAGE OVER PREVIOUS THREE FINANCIAL YEARS)	INITIAL ACCREDITATION APPLICATION AND ASSESSMENT FEE (GST INCLUSIVE)
Less than \$15 million	\$16,000
\$15 million or more but less than \$50 million	\$22,785
\$50 million or more but less than \$100 million	\$29,570
\$100 million or more but less than \$200 million	\$36,355
\$200 million or more but less than \$400 million	\$43,140
\$400 million or more but less than \$800 million	\$49,925
\$800 million or more but less than \$1200 million	\$56,170
\$1200 million or more	\$63,495

The calculation of the annual average value excludes consents for building work valued at less than \$5,000 and any single building where the value of the building work is more than the value of all other building work consented in that financial year.

Councils are able to recover the cost of accreditation from building consent applicants through consent fees.

Regional authorities and private building consent authorities that apply for accreditation will pay the minimum fee of \$16,000.

### Accreditation assistance package

More than \$1.3 million has been allocated to date from the Government’s accreditation assistance package to enable councils to use external expertise and support to prepare for accreditation.

The \$3 million fund is acknowledgement that accreditation places additional costs on councils, though the Government considers the costs justified in the interests of assuring New Zealanders that their homes and buildings are being built properly the first time. The funding allocated from the funding steering group’s consideration of applications in March,

April and May involves about 60 applications. The assistance package also funds case advisors who work closely with individual territorial authorities to help them prepare for accreditation.

Activities funded to date include providing guidance and assistance in completing the documentation of systems and processes, undertaking competency assessments, the development of competency assessment frameworks, and documentation of technical libraries. Funding has also been provided for regional authorities seeking guidance on transferring or contracting out building control responsibilities.

While there is a limit of \$50,000 per project, councils can apply for funding for more than one project.

Case advisors can provide clarity on the assistance package to councils on request.

### Local Government New Zealand zone meetings

The Department’s Chief Executive Katrina Bach and Deputy Chief Executive Sector Capability Bruce Girdwood addressed meetings of five of the Local Government New Zealand zones in April/May, outlining building consent authority accreditation requirements.

While some building consent authorities are making good progress towards accreditation (about 50 had applied for accreditation at the time of this publication) others appear to be making slower progress. A key message at zone meetings was that the Department will do all it can to help building consent authorities achieve accreditation. Assistance will be well targeted if councils tell the Department what assistance they need to achieve accreditation by 30 November 2007.

The zone meetings identified various issues, specifically:

- liability issues, if councils transfer or contract out some or all of their building control functions. The Department has prepared a general guidance document on transferring/contracting out. This is available from case advisors. The Department is also about to issue a paper focusing on managing liability. Councils should note that this material

is for guidance only. They need to seek their own legal advice on transferring/contracting out.

- lack of understanding, or misunderstanding, of initial accreditation requirements. A number of territorial authorities may be developing systems in excess of 2007 requirements. Focus should be on the development of resources, systems and processes that meet the requirements for 2007 standards set out in the Building (Accreditation of Building Consent Authorities) Regulations 2006. Case advisors are able to assist with this process.

Given that all territorial and regional authorities must be accredited and registered by 30 November 2007, the Department is encouraging councils to apply for accreditation as soon as possible. This will give them time to work through the accreditation process, including addressing any corrective actions required by IANZ before accreditation can be offered.

### Consultation on registration standards and criteria

Submissions have now closed on the consultation paper *Building Consent Authority Registration Standards and Criteria Proposals* issued in April.

The consultation paper described and sought feedback on proposed registration standards and criteria, application forms and fees payable to the Department when applying for registration. A small number of submissions were received and are now being analysed, after which the Department will seek government approval to develop regulations based on the paper.

While the proposed registration criteria are the same for councils and private organisations, the Department will need to seek more information from private organisations. This is because councils have building controls experience and the integrity of their councillors and executive management is already addressed by electoral accountability under the Local Government Act. Private organisations, on the other hand, will have to satisfy the Department as to their suitability and credentials to perform building control work and operate their business, and that they are professional and above board.

The consultation paper proposed a fee of \$5,570 (GST exclusive) that private building consent authorities will pay the Department to check their suitability for registration. This includes their ability to meet proposed requirements that they have adequate means to meet any civil liabilities that arise from their building control work.

The paper proposed that councils not pay any registration fees at this time. The Department will absorb the costs of processing their registration applications as part of its building control functions currently funded through the building levy. The estimated total one-off cost to the Department to register all 85 councils is \$21,000 (GST exclusive).

The Department is currently working on the final consultation process for the building consent authority registration scheme, the requirement in the Act that private building consent authorities have 'adequate means' to meet any civil liabilities that arise from their building control work. This will cover matters such as:

- how the Department might assess 'adequate means'
- minimum terms and conditions for civil liability insurance.

The adequate means requirements will not affect council building consent authorities as they have the resources to meet their civil liabilities.

### Document reviews

The Department's case advisors have provided feedback directly from councils, on IANZ's document review stage of assessing applicants for accreditation as building consent authorities. Document review is the first stage of the assessment process.

Case advisors can and should help councils check their documentation against the requirements of the regulations before they apply for assessment.

A broad outline of identified matters is listed overleaf as a basic checklist that applicants may find useful to address so that they are fully prepared for their document review.

## General

- Ensure that policies and procedures are kept separate. A policy is effectively a statement of intent, while a procedure shows who does what, how, where and when. Procedures need to detail individual responsibilities.
- Ensure documentation covers all elements of regulations 5–16.
- Note there is no provision for signatory status to be offered to personnel, so no documents should refer to a person being approved by the accrediting body.
- Include a means for modifying procedures in document control procedures.

### Regulation 6

- Ensure records show why a particular decision was made. Codes may be used on checklists for recording decisions, but need to be appropriate and clearly defined.

### Regulation 7

- Show, in the system for providing information to applicants, how it is being provided, as well as what is provided.
- Identify, both in documents receiving an application and in information to applicants, when the statutory time clock starts.
- Identify the acceptable minimum content for producer statements and how to assess the competency of the statement's author.
- Describe the process for transferring responsibility for a notice to fix to and from the council.
- Keep records of enquiries or complaints unrelated to a specific building consent, including the reasons for the inquiry or complaint being formally logged. Ensure that complainants are informed throughout the process and are told the results of investigations.

### Regulation 8

- Show how the building consent authority determines the number of employees/contractors needed to satisfactorily perform its building control functions and whether an activity can be performed in-house or should be contracted out.

### Regulation 9

- Identify how to classify a consent or associated inspections to ensure work is allocated to competent personnel.

### Regulation 10

- Identify the different competencies required by different groups of personnel, such as inspectors and customer services personnel.
- Ensure that if another council department, such as HR, undertakes competency assessments, building controls documentation at the very least provides an overview of the building controls process and its content, even if HR attends to the detail of the competency assessment system.
- Describe the system for creating employee training plans and technical skills matrices.

### Regulation 11

- Ensure documentation addresses all the requirements listed.

### Regulation 12

- Describe how the competence of contractors is assessed, ensuring that it addresses all the requirements listed. Competency assessment requirements for contractors may be the same as for staff. Contractors working externally using their own systems may require a separate competency assessment system. Documentation should describe both processes.
- Provide contracts for service with any contractors listed in the organisation chart.

### Regulation 13

- Identify by name individuals who provide technical leadership, including external people as necessary, across all aspects of building control work when personnel need guidance on a specific technical issue. They may be people outside the building consent authority, such as experienced contractors.
- Identify how their leadership competence is assessed and their powers and authorities.

#### **Regulation 14**

- Describe the system for providing technical and administrative information, facilities and equipment, including how information is kept up to date and made available to staff.
- Describe in reasonable detail the content of the building consent authority's technical library and how standards etc are kept up to date. Identify, rather than destroy, superseded documents.
- Identify the specific reference documents kept in inspectors' vehicles and how these documents are kept up to date.
- Identify equipment that may require calibration and discuss the matter with an accredited laboratory.

#### **Regulation 15**

- Identify the statutory powers of building consent authority officials.
- Show, on the building control organisation chart, the interfaces with external organisations, including those with council departments such as customer services. The building consent authority's linkages within the council are sufficient, rather than a full council organisational chart.

#### **Regulation 16**

- Describe the contents of a building consent file record and how applications are filed or uniquely identified.
- Show that a system is in place for recovering backed-up files and that there is a strategy for the long-term security, integrity and ability to retrieve electronic files.

#### **Provider list**

The Department has asked external providers to register their interest in being available to assist territorial and regional authorities to prepare for accreditation.

It has been looking for:

- project managers with a good understanding of the building sector, Building Act, quality assurance and business systems, and accreditation/certification processes
- technical writers
- quality system developers
- quality system implementation managers
- building sector and quality management trainers and training system developers
- providers able to assist building officials to develop competency assessment systems and able to undertake competency assessments
- providers who can develop competency-based work allocation models
- organisations able to provide building consent processing or inspection services
- providers with expertise in cataloguing technical libraries and developing technical library management systems.

Registrations of interest are now being compiled and a list of possible providers will be given to case advisors this month to assist in their work with councils. Councils will need to make their own evaluations as to whether a particular contractor is suitable for a particular task. The contact list is not an endorsement by the Department.

### Further information

Further information about the building consent authority accreditation scheme is also available on the Department's website at [www.dbh.govt.nz/bofficials-bca](http://www.dbh.govt.nz/bofficials-bca)

Further information about IANZ is available at [www.ianz.govt.nz](http://www.ianz.govt.nz)

For general enquiries about the building consent authority accreditation and registration scheme or the accreditation assistance package, please contact one of the following people at the Department of Building and Housing.

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For specific enquiries about applying for accreditation, the accreditation assessment process, accreditation fees or the standards and criteria for accreditation, please contact:

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