

BUILDING OFFICIALS INSTITUTE OF NEW ZEALAND

PRESENTATION TO CANTERBURY EARTHQUAKE ROYAL COMMISSION

WEDNESDAY 12TH SEPTEMBER 2012

INTRODUCTION

- Our presentation outlines institute positions as a support group for our profession
- In essence our positions and perspectives are based around operational practicalities, professional expectations and the need to ensure accountability.
- The Institute represents approximately 1 200 Building Control Officials (BCOs)
- We operate for the good of our members, industry stakeholders and the public's ability to live and work in buildings safely
- Accordingly we liaise closely with the Regulator, Standards NZ, BRANZ, Local Government, other industry peak associations, the wider built community, and we take on board public commentary
- The Institute is dedicated to professionalism within the Building Control Sector
- The Institute established the Training Academy to develop and deliver educational support at Diploma and Continuous Professional Development courses to its members and to assist other Industry sectors in their understanding of the regulators and best practice requirements with the construction sector

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

Q1 Is there **Sector Capability (including MBIE)** to ensure compliance documents, standards, guidance documents are high quality and timely?

A1 Document Hierarchy

The institute supports the core regulatory document framework — a performance based building code supported by community and industry developed standards

A National Policy Statement as proposed by IPENZ and supported by the Construction Industry Council (CIC) is necessary and would enhance the hierarchy

A National Policy Statement is necessary and should encompass the main participants and their roles and a clearly articulated vision over a prescribed timeframe that delivers guidance to legislators, regulators and standards developers.

The current “Joint & Several” liability system creates a risk averse approach to the compliance document system, with various stakeholders trying to avoid having their documentation being mandatory, for risk of complete liability attributing back to them as opposed to a different system of shared responsibility

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

- **Q1** Is there Sector Capability (including MBIE) to ensure compliance documents, standards, guidance documents are high quality and timely?

A2 Document Quality and Timeliness

The issue of document quality and timeliness is linked to funding ability

There are issues around the updating or amending, the delivery and the access to “standards” and they are funding based. There is a need for a clearer, and more certain funding model than Standards NZ current self funding requirement.

While the catalogue of Building Standards is around 80% linked to Australian standards, many are unique to the NZ environment and are “public good” standards contributing to the installation integrity and quality of our buildings. These need updating on a timely basis and should be readily available to the building and design sectors.

While the regulator can quickly produce guidance documents there is a question mark over the ability of Standards NZ to respond similarly, the result being a blurring of responsibilities, particularly where one may expect a citing of a standard in a guidance document but it is omitted due to pending updating or amendment.

The Institute strongly recommends the use of the Building Levy to transparently support the timely development and access of critical building standards.

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

- **Q1** Is there Sector Capability (including MBIE) to ensure compliance documents, standards, guidance documents are high quality and timely?

A3 Document Interpretation

- The Building Code hasn't substantially changed since 1991 – but standards and acceptable solutions have.
- For Building Control Officials (BCOs) the core document and driver of their work practices is the Building Code
- The BCA/BCO role is frustrated by the limited understanding and ability of the sector to interpret the code.
 - Noticeable at the architect and designer level
 - Builders tend to focus on limited “standards” knowledge at the expense of code requirements

The Institute recommends MBIE emphasise a greater level of accountability in respect to understanding the need to demonstrate compliance with the performance requirements of the building code.

There is also a need for significant messaging that limited knowledge of the Code, Standards and Acceptable Solutions, and reliance on the BCA/BCOs to assist as a backstop in cases of limited compliance knowledge is unproductive and is no longer acceptable.

The institute is ideally placed to supported this knowledge uptake through its Training Academy and is already working with industry groups to improve skill sets around the code and regulations.

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- **Q1** Is there Sector Capability (including MBIE) to ensure compliance documents, standards, guidance documents are high quality and timely?

A4 Accessibility

Designers and builders regularly advise they don't have complete sets of compliance documents, claiming "cost" as an issue. This cost is also shared by BCA's paying for access to standards.

BCAs have traditionally been the "**backstop**" to "**getting it right**" in terms of building code and regulatory requirements.

As a result unnecessary costs accrue to rate payers and the clients of the designers and builders whose knowledge is deficient.

- A clearly defined code and regulations system that is accessible to key participants is required
- The Institute is strongly supportive of the use of the Building Levy to fund timely standards development and access

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

Q2 Is there capacity within BCAs to ensure adequate sign-off of complex buildings?

□ **A1** – Yes, but let's qualify this:

What is Sign-Off?

- Determined by building complexity, it's about being reasonably satisfied
- Bringing together documentation and evidence around what other professions have done as part of their role in the building development
- Councils around the country have differing protocols
 - CPEng Certificate, Peer Review Requirements

Are BCOs Experts?

- Yes and no - Obviously in certain areas but not necessarily in all areas
- Essentially their role is to ensure documentation/evidence is appropriately relevant and complete
- they tie all the aspects of building construction together to ensure the building operates as a whole.

BCA Accreditation:

- 2004 Building Act requiring TAs/RAs + private bodies to be regulated as BCAs to undertake regulatory Control Functions - has moved the sector on significantly from the 1980s – 1990s

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

Q2 Is there capacity within BCAs to ensure adequate sign-off of complex buildings?

Sharing skills resource?

- BCA's by their location could be classified as rural, provincial or metro and as such their requirements to sign off complex buildings differ
 - There has been a recent development of BCAs working in geographic "clusters", creating efficiencies of scale and sharing scarce resource.
 - Should a BCA not have the internal skill/ competency level to sign-off complex building work, the natural course of events is for the building manager to seek assistance from a nearby BCA to assist the processing of the consent and undertake the inspections on a local basis.
- **We are already seeing good examples of co-operation under their own accord for the betterment of our customers?**
- **Christchurch City Council, sharing their consenting with Auckland Council and others**
 - the Waikato cluster group, the Southern cluster group etc in standardising forms under their own accord for the betterment of our customers?
 - Some of our smaller BCA's now have shared service agreements which are helping with sharing of resources etc. eg Hurunui, Waimakariri, Kaikoura and Selwyn District councils.

□

OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

□ **Q2 Is there capacity within BCAs to ensure adequate sign-off of complex buildings?**

□ **A.2 Area for Improvement:**

- Qualifications and ongoing training
- Regulation 18 and the National Competency Assessment system
- BCA National Competency Assessment system – defines competencies for each of 6 level, setting explicit performance indicators and guidance for assessors. A skills matrix records results and allows individuals to operate to their level—a rural BCO may only need to operate to 3or4 levels
- Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulation 2006
 - BCAs have an appropriate NZ Qualification
 - BCOs working towards an appropriate NZ qualification in a reasonable amount of time
 - BCOs have an appropriate foreign qualification recognised in NZ before 1 December 2013

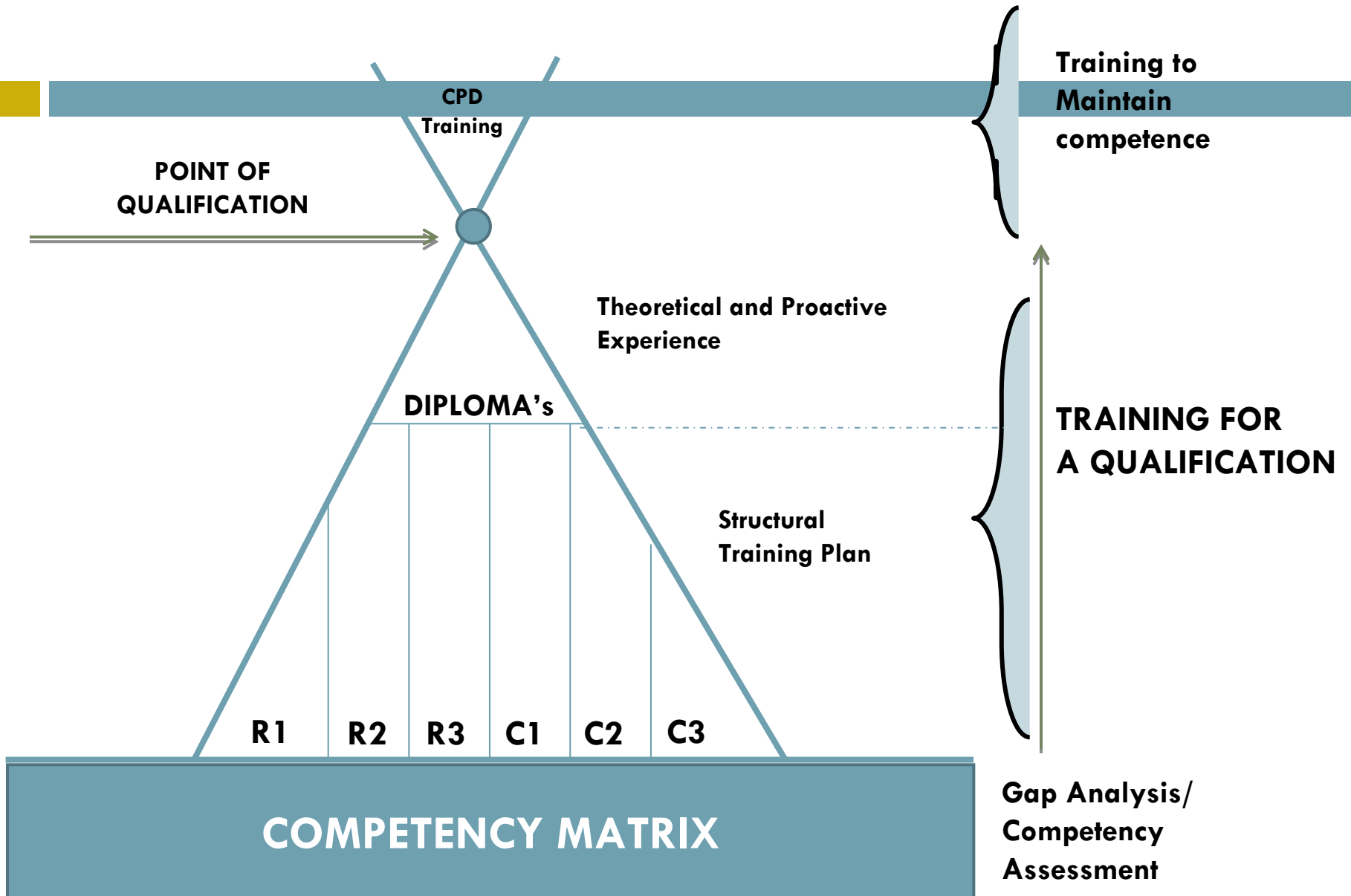
OBTAINING REGULATORY APPROVAL WITHIN THE SECTOR INCLUDING CAPABILITY AND QUALITY ASSURANCE

□ **Q2 Is there capacity within BCAs to ensure adequate sign-off of complex buildings?**

A.2 Area for Improvement (cont):

- Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulation 2006
 - BCOs have an appropriate NZ Qualification before 1 December 2013
 - BCOs to be working towards an appropriate NZ qualification in a reasonable amount of time before 1 December 2013
 - BCOs have an appropriate foreign qualification recognised in NZ before 1 December 2013
- **8 Qualifications Recognised**
 - 6 Degree level and 2 Diploma level qualifications were recently recognised by MBIE
 - The Diplomas are vocational qualifications based on work requirements and the Institute has developed theory course material with the support of Otago Polytechnic
- Recent efforts by Institute to develop this framework will see a generational improvement of professionalism over next 10-15 years

BCO TRAINING PATHWAY



NATIONAL DIPLOMA IN BUILDING CONTROL SURVEYING

Appropriate qualifications

The Ministry of Business, Innovation and Employment (the Ministry), with assistance from the Building Officials Institute of New Zealand (BOINZ), reviewed current qualifications within the industry and compared this with the level of technical capability required in the building control sector. The Ministry and BOINZ identified there are many qualifications that are appropriate, with many building officials already holding these qualifications.

Therefore instead of one generic qualification, the following eight New Zealand qualifications are appropriate to meet Regulation 18:

- Bachelor of Applied Technology - Building
- Bachelor of Architecture
- Bachelor of Architectural Studies
- Bachelor of Building Science
- Bachelor of Construction (Construction Management and Construction Economics)
- Bachelor of Engineering
- National Diploma in Building Control Surveying (Small Buildings)
- National Diploma in Building Control Surveying (Medium and Large Buildings).

Regulation 18 of the Building (Accreditation of Building Consent Authorities) Regulations 2006 requires building consent authorities (BCAs) to have a system for ensuring building officials have or are working towards an appropriate qualification. BCAs must meet this criteria by 1 December 2013.

There are a number of benefits from requiring a qualification including:

- establishing a benchmark for minimum standards of vocational knowledge
- increasing over time the pool of qualified building officials
- increasing technical competence, consistency, professionalism and performance
- providing a more attractive career path
- enhancing the credibility of building officials
- attracting greater numbers of new building officials to replace those leaving the industry through natural attrition
- increasing the confidence of the sector and of the public
- better alignment with the requirement for LBPs to be qualified.

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Q3 Should there be a National Consenting Authority?

■ A1 - We are a country of 4.5 million

- 68 BCAs – Varied processes and requirements
- They present differing customer experiences
- There is opportunity for economic efficiency

■ A2 - Centralised / Regionalised Consenting?

- The Institute supports a nationally consistent approach to consenting supported by appropriate national protocols and systems, delivered on a local and regionalised basis
- Consistency in process – such as vetting, regulatory forms (many advances already on a regionalised basis)
 - Customer benefits by preparing application with full knowledge of details required to demonstrate compliance with building code
 - A centralised repository for consenting documents
 - National Online Consenting System-centralised internet-based hub to receive, capture and consistently process all building consents
 - Allows companies/individuals to work nationally

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❑ Q3 Should there be a National Consenting Authority?

A3 - Regionalised and Local Delivery Approach

- ❑ Building Officials are essential
- ❑ They are the professionals at the heart of the building sector
- ❑ Knowledge and expertise helps ensure a quality based and consistent building sector
- ❑ There is a real need for local knowledge to guide communities through the building process
- ❑ The BCA sector is already working together in clusters – sharing expertise, process and resource

A4 - Technology

- ❑ Will play an increasingly important role in delivering consistency to the consenting process
- ❑ It is already assisting the inspection process through new data collection technology.
- ❑ Will allow national data collection and availability
- ❑ Will facilitate quicker and more efficient sector gains and productivity improvements
- ❑ Requires BCAs to accept they invest resource and train their staff to achieve quality outcomes

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Q4 Producer Statement: their use and role in the Building Regulatory Framework

History of use:

- ❑ Doesn't have legal standing within the Building Act 2004
- ❑ Councils continue to use producer statements for complex and commercial building work as a “test” for reasonable grounds of compliance and to minimise risk in areas of design, peer review, physicality (structure) and supervision
- ❑ Some councils create a Producer Statement Register to ensure individuals/companies are qualified, insured and in relevant cases professionally affiliated.
- ❑ Engineers appear to understand the need for producer statements, their classes , and accept the use of them

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|-------|--------------------|
| ❑ PS1 | Design |
| ❑ PS2 | Peer Review |
| ❑ PS3 | Construction |
| ❑ PS4 | Design Supervision |

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Q4 Producer Statement: their use and role in the Building Regulatory Framework

□ Role of producer statements:

- There is an incorrect perception that some BCAs solely use Producer Statements to satisfy work that “*has been done*”
- They form part of the quality assurance process
- BCA’s believe they also have a purposeful role and deliver cost efficiencies (BCA + User)
- An LBP’s Record of Work in relation to Restricted Building Work (RBW) has a similar purpose as a “PS3” (structure compliance) and is mandatory requirement

□ Opportunity

- Adopt a National system
- To make Producer Statements more comprehensive, possibly task specific (eg/ fire, waterproofing, plumbing) and qualify with relevant code clauses which are applicable to that work
- Require trades to complete a PS3/Record of Work when completing work - ensures visibility and assists compliance decisions

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Q5 When, Why and How should peer reviews be conducted?

- ❑ Peer reviews have a place in a risk based consenting environment to provide an independently assessment relating to the robustness of systems and their authors
- ❑ BCAs should continue to have the lead responsibility in this area
- ❑ Institute supports the CIC position of a 3 tier peer review system
 - ❑ Low risk consents for building work designed and built by LBP's should progress easily
 - ❑ Middle risk consented work should be able to be reviewed and considered by BCA officials
 - ❑ High Risk consented work could require external peer review before being submitted for BCA consideration as at the pre consent stage
 - ❑ All tiers should be subject to individual confirmation of work and (PS3/Record of Work) and could be subject to audit
- ❑ Opportunity
 - ❑ MBIE/ BCAs to work together to bring about clear and nationally consistent guidance
 - ❑ The controlling process (the BCA's function and requirements)
 - ❑ Building types and their appropriate review requirements
 - ❑ What are the expected review outcomes
 - ❑ When is it required -- timeframes

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Q6 Should there be a BWOFF to assess deterioration?

□ Current System

- The current BWOFF is a safety system for some daily operation and to provide for warning and safety systems in event of evacuation – it doesn't deal with structures
- It will not pick up on building modifications, damage to a building's structure or stability unless they impact on a safety system and it gives no certainty to the state of the building at a point in time
- While there is an expectation work is in accordance with the building code – sometimes this doesn't happen (naivety, neglect or avoidance)
- The general public most likely and incorrectly perceive the BWOFF as a building compliance process that attests to a building's safety in all respects (an analogy to the motor vehicle WOF)

□ Opportunity

- A periodic review based around "building fitness", with a focus on structure, modifications and cladding that is specific to the building's use
- Possibly a 5 or 10 year cyclical check which would cover landlords who don't look after buildings
- Who should undertake these BWOFF's ? -Accredited Building Surveyors – this is a niche area requiring specialist expertise, the Diplomas in Building Control Surveying should be the minimum underpinning qualification and these individuals should undergo a regular accreditation process to maintain competency.
- The Institute already operates an accredited building surveyor programme in the home inspection area –complex buildings would be a natural extension to this programme

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Q7 Does the current framework impede innovation?

- ❑ We don't believe the current process impedes innovation but we don't want to encourage innovative failures
- ❑ The Institute supports building innovation via sensible approaches
- ❑ In overview we believe innovation is achieved under the current system
- ❑ However the system is likely not well enough understood

- ❑ Presentations are impeded by a lack of knowledge on how to demonstrate compliance
- ❑ The reality is one can build anything as long as it complies with the building code
 - ❑ Eg – The “Cardboard Cathedral”
 - ❑ They will need to show compliance
 - ❑ Strawbale Houses
 - ❑ Constructed under certain requirements (probes to measure potential deterioration)
 - ❑ Use of “Limited Life Provisions”

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- **There are varied approaches to allowing innovation**
 - Codemark
 - Product certification process
 - BRANZ Appraisals
 - Product appraisal process—but have no legal standing, although it is a robust system
 - Determinations Process
 - It is possible to allow new products or systems to be assessed prior to building consents being issued – *if granted a consent is 'a given'*
 - Issue is “one off” nature of determinations
 - Warnings and Bans
 - Liability system - largest barrier to innovation
 - Current Joint & Several system produces risk averse approaches from stakeholders, in particular councils, primarily as a response to leaky building experience

CONCLUSIONS

- We support a National Policy Statement to provide vision structure and direction to the sector
- The development and distribution of “public good” standards needs a sensible funding model allowing timely access at a reasonable charge to ensure improved knowledge, understanding and economic efficiencies across the whole sector.
- In terms of capacity, the sector has moved on since the 2004 Building Act requirement to regulate BCAs
- BCAs now work together in clusters sharing expertise and resources
- Regulation 18 will further enhance the knowledge base and professionalism within the sector and bring added efficiencies
- The Institute has lead the charge in developing the Diploma course work for the building control qualification. This will benefit BCAs significantly

CONCLUSIONS

- A Regionalised and Standardised approach to consenting will deliver consistency and maintain much needed local ability and contact
- Technology will further enhance sector capability and outcome quality
- Producer Statements have a continued place for ensuring a test for reasonable grounds of compliance – However a national system would advantage the sector
- Peer reviews are a valuable tool, should be controlled by BCAs and consideration should also be given to a national process
- There is the opportunity for BWOFs to become a “structure and cladding” building fitness test – Serious consideration should be given to enhancing the current product
- The framework allows for innovation and minimalises bad build quality. It’s a process that does not need altering.