



Department of  
Building and Housing  
*Te Tari Kaupapa Whare*

## **Summary of submissions**

### **Moving forward on building inspection and maintenance**

Summary of submissions received on the building warrant of fitness regime and licensing building inspection and maintenance work discussion document



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## Background

The Building Act 2004 (the Act) introduces a scheme for licensing certain people who carry out building design, construction and building warrant of fitness (BWOFF) inspection and maintenance work.

The Act includes a November 2010 date for compulsory licensing of all people who issue Form 12A certificates.

The current territorial authority-based acceptance of independent qualified persons (IQPs) has been operating since the early 1990s and has resulted in regional variation in criteria for IQP registration. It has also led to low levels of training and education and high compliance costs for territorial authorities and IQPs (particularly those operating across regional boundaries).

The needs of the BWOFF maintenance and inspection sector do not sit well with the licensing framework in the Act. The discussion document consulted on three options for regulating the BWOFF workforce together with a work programme for improving operation of the overall BWOFF regime. The three options were:

**Option 1: Status Quo** - The BWOFF inspection and maintenance workforce is licensed by November 2009 under the licensed building practitioner scheme. Appropriate licensing classes will need to be established, with suitable competence standards and assessment tools.

**Option 2 (Preferred Option): Phased Transition** - Territorial authority-based approval of IQPs is retained, and the Department invests in helping territorial authorities to move toward a national infrastructure for standard setting, assessment, and performance management (complaints and discipline). Provision to establish licensing classes and restrictions in the future under the licensed building practitioner regime is retained.

**Option 3: New IQP Registration Body** - A new registration body is established under the Act to assess, discipline and maintain a single national register of BWOFF personnel.

For further background information, please refer to the discussion document.

## Submissions

The Department received 47 submissions, as follows:

- IQPs – 14
- Local government – 16
- Industry associations – 6
- Building owners – 1
- Engineers – 5
- Regulatory bodies – 3
- Training providers – 1
- Suppliers – 1

Note: some submissions were made on behalf of multiple people or organisations, but are counted once in the above figures.

The following is a question-by-question summary of submissions.

## Question 1 summary – Building warrant of fitness regime

*Although changes to the building warrant of fitness regime are already improving performance, the Department has identified four areas with potential for significant further improvement. These areas are compliance schedule accuracy, monitoring and enforcement, owner awareness, and registration policies and processes.*

### **Question: Do you have comments on any of these four areas?**

#### **General comments**

Question 1 covered four issues, compliance schedule accuracy, monitoring and enforcement, owner awareness, and registration policies and processes. This section attracted a lot of feedback, especially around compliance schedule accuracy. Most submitters commenting on these issues agreed there were problems or suggested ways of improving the systems in place at the moment. Some general comments received that cover all four issues were:

- Focus on these items, they are more important than licensing.
- A program to address these issues is agreed on. They are all important no matter what option is taken.
- Agreement that all these areas of work should be progressed and in most cases are already progressing.
- Good Building Warrant of Fitness (BWofF), enforcement and owner awareness will be beneficial to the safety of our buildings. It will be beneficial for businesses if attention is given to these areas.

### **Question 1a – Compliance schedule accuracy**

Comments on question = 31/47 (66%)

Everyone who commented on this question either agreed there are compliance schedule accuracy issues or suggested ways that compliance schedule accuracy can be improved.

#### **Issues with compliance schedules accuracy**

A number of submitters attribute issues with compliance schedule accuracy to territorial authority requirements around forms. A common comment was that the information required for compliance schedules varies greatly between territorial authorities. The format of the forms and specified system numbering systems can vary substantially. The variation affects the operation of national contracts for inspection and maintenance work. This makes consistency in contract administration and scope of works for contractors difficult to manage. Some territorial authorities use a standard schedule, no matter which items are relevant, rather than tailoring it to the specific equipment in the building. Originally some compliance schedules were created from a questionnaire with drop-down clauses that did not represent the actual system. This resulted in inaccuracies.

Other submitters also noted issues with territorial authority processes and practices saying that some charge a fee for providing a copy of the compliance schedule. This

results in some independent qualified persons (IQPs) relying on information known to them, often in the form of outdated compliance schedules. Some simply attribute compliance schedule issues to a lack of standard processes inconsistently applied by territorial authorities under the Building Act 1991 (former Act) which has continued under the Building Act 2004 (the Act).

Compliance schedule accuracy issues were also attributed to:

- missing specified systems on compliance schedules (especially in larger buildings fitted with multiple systems)
- unclear/inconsistent maintenance requirements
- systems not being supported technically by a designer
- no requirement to list the position or number of specified systems
- in some cases a lack of council resources to amend all old compliance schedules by deleting those systems no longer required on compliance schedules and adding specified systems.

### **Suggested options for improving compliance schedule accuracy**

A number of suggestions were made on how to improve compliance schedule accuracy. These suggestions fit into five groups:

- prescribed form
- tailoring compliance schedules
- consent submissions
- compliance schedule changes
- compliance schedule availability.

#### **Prescribed form**

Several submitters said a compliance schedule form should be prescribed or standardised. Some submitters also said:

- a mandatory coding/specified system numbering system should be put in place
- the features and systems of a specified system should be defined
- the content of a compliance schedule should be prescribed
- base inspection and maintenance procedures should be provided by the Department of Building and Housing (the Department).
- they recognised that most buildings requiring a BWoF are existing units and these require a different approach to a new building using advanced design and systems.

Some submitters believe these suggestions can be achieved through appropriate guidance. For instance, by giving examples of what a specified system includes and examples of inspection and maintenance procedures.

#### **Tailoring compliance schedules**

Many also went on to express the importance of tailoring a compliance schedule. Some people said an accurate and precise format would help people to tailor their compliance schedule, while others said this was not essential.

Submitters said compliance schedules need to:

- reflect the actual systems in a particular building.

- be better understood and appreciated.

They also had to be more:

- accurate
- meaningful
- detailed and specific to each building.

### **Consent submissions**

Some people identified the importance of the compliance schedule information that is provided to the building consent authority at the time the building consent is applied for.

- People suggested that the designer of the specified system should have to write the inspection and maintenance procedures or provide appropriate clauses or sections of a standard or other reference document. This could be submitted in the form of a document which could provide the basis for the compliance schedule that applies to the project. It was suggested the person submitting this form may need to be an IQP. Where a change to the building occurs that affects the inspection and maintenance of a specified system, a new 'document' as described above would have to be submitted and a new compliance schedule issued. This would ensure the compliance schedule always reflected the specific building it belongs to.
- Others suggested guidance on preparing compliance schedule information for consent applications should be created so they can be put in consent application packs. This may assist in gaining worthwhile and consistent information throughout the country and would result in a compliance schedule that better reflects the systems within the building.
- Others suggested a standard should be created which would specify inspection and maintenance procedures for specified systems.

### **Compliance schedule changes**

A number of suggestions were made about addressing issues with buildings and specified systems changing. This can render the compliance schedule no longer relevant.

Several submitters commented on a system which feeds back information about compliance schedules and buildings with compliance schedules.

Other comments were:

- Councils should send compliance schedule information to all new owners with up-to-date copies of their compliance schedule policy. This can then be available for the new owner's chosen BWoF provider to ensure the information is correct.
- There needs to be a clearly defined administration process if inspection and assessment confirms inaccuracies in the compliance schedule or building. IQPs should notify the territorial authority if a compliance schedule is inaccurate or if new or modified specified systems are apparent. Specific attention needs to be given to reviewing retrospective design changes of co-coordinated systems and fire engineered designs.

- Additional improvements in compliance schedule accuracy can and have resulted from:
  - audit/inspections of buildings
  - Form 12As, which have provided considerable opportunities to amend compliance schedules
  - draft compliance schedules, which go some way towards addressing the issues.
- All buildings should have new compliance schedules issued because the systems specified by the new and old Acts are not the same.

### **Compliance schedule availability**

A few suggestions were made to make compliance schedules more readily available to help compliance schedule accuracy; including:

- making compliance schedules available online to encourage users to rely on the latest information.
- a central database of compliance schedule equipment specifications.
- displaying BWoFs on a national website.

## **Question 1b – Monitoring and enforcement**

Comments on question = 24/47 (51%)

Everyone who commented on this question either agreed there are monitoring or enforcement issues or suggested ways to improve monitoring and enforcement.

### **Issues with monitoring and enforcement**

Two common themes emerged from the comments about monitoring and enforcement. The first was submitters simply finding monitoring and enforcement to be inadequate and the second was the cost.

Some people suggested that monitoring and enforcement was inadequate because territorial authorities sometimes do not do site visits. Often, presenting Form 12s and 12As are the only proof that inspection and maintenance has been carried out, which is not acceptable to some submitters. Inadequacies were also attributed to lack of council resources and lack of requirement to audit IQPs. It was suggested that this inadequacy has allowed substandard or deferred inspection and maintenance, which is putting occupants at risk. Territorial authorities should now be expected to monitor, as they can charge for this service.

Submitters said that enforcement can be costly and time consuming. There are large variations in charges between territorial authorities for similar work. There needs to be some consistency as the variation complicates pricing and cost forecasting, pushes up the cost of compliance as well as causing confusion and raising questions about how the prices were worked out.

### **Suggested options for improving monitoring and enforcement**

Comments suggested monitoring and enforcement can't be carried out effectively until compliance schedule accuracy is dealt with. Monitoring and enforcement issues could be easily rectified under a national registration authority.

There were two major suggestions from submissions on improving monitoring and enforcement, infringement notices and guidelines.

#### **Infringements**

Infringement notices were the most commonly mentioned item under the question of addressing monitoring and enforcement issues.

#### **Guidelines**

Many submitters suggested the Department should produce monitoring and enforcement guidelines to help territorial authorities carry out these functions. Submitters believe this would address the current national inconsistency and allow a 'level playing field' for IQPs. People suggested the guidelines cover information on appropriate levels of monitoring, staffing levels, charges, and audit processes.

Some submitters think a step further should be taken to regulate monitoring and enforcement to ensure consistency or propose a monitoring and enforcement regime.

## **Question 1c – Owner awareness**

Comments on question = 22/47 (46%)

Eighty one percent of people who commented on this topic either agreed there are owner awareness issues or suggested ways that owner awareness can be improved. Nineteen percent of submitters made neutral comments about the need to increase owner awareness, believing owners should not be expected to be experts in specified systems but should be able to rely on the IQP. Action from a territorial authority should be against the IQP not the owner.

### **Issues with owner awareness**

Many found owner awareness inadequate while some say it is improving. Compliance schedule and BWoF requirements are seen as too difficult for owners to understand and many owners have no interest in trying to understand them. Education for owners and national publicity is generally seen as poor with a majority of the education work being done by compliance managers and territorial authorities. Some commented that the only information available for owners is very old so is either out of date or no longer held by the owner. Currently the only way owners get educated is when they are made aware of non-compliance.

The combination of a difficult subject to understand and a lack of information leads to owners submitting incorrect BWoFs.

Issues with owner awareness were also attributed to:

- buildings changing hands (some new to the commercial market)
- staff turnover leaving owner's inspections incomplete as new staff are unaware of the requirements
- a general casual attitude to 'owner' inspections.

Owners are not aware of their accountability in engaging IQPs to do maintenance and testing as specified in their compliance schedule. There is evidence of this in the high proportion of overdue BWoF documentation and documentation without Form 12A certification.

### **Suggested options for improving owner awareness**

#### **Guidance and education**

A number of submitters suggested that education and guidance is the best way of improving owner awareness. Comments included:

- education and published guidance for owners is required.
- expansion of web-based information system for owners will help
- an education plan backed by readily available information should be put in place
- look at the way the information is communicated, rather than the information itself.

#### **Licensing**

Some submitters said compliance could be achieved by having a designated person who looks after compliance schedule matters acting on behalf of the owner, possibly in the form of a supervisory type licensed person or similar.

**Other**

Other comments for improving owner awareness include:

- there should be a provision in the Act if tenants are not co-operating with owners over BWoF requirements
- perhaps use solicitors to inform new building owners of their obligations at the time of the building sale
- councils should provide a service to owners, notifying them in advance that their building warrant of fitness is due (through a standard letter or newsletter).

Notification could include a change of ownership section in the event the owner has changed. This system would increase the chance of information being sent back to the council if the building has changed hands. The feedback from the previous owner back to the council would allow their records to be updated and subsequently time to notify the new legal owner of their obligations.

## **Question 1d – Registration policies and practices**

Comments on question = 18/47 (38%)

Ninety four percent of submitters commenting on this topic either agreed there are issues with registration policy and process or suggested ways that registration policy and process can be improved. Six percent of submitters commenting on this topic made neutral comments about the need to address registration policy and processes, believing the territorial authority should administer the register.

### **Issues with registration policy and process**

Most submitters who commented on this topic had concerns with their local IQP registration system. Registration policies vary throughout the country and have inconsistent assessment criteria. Some believe the current situation has led to a large number of incompetent IQPs undertaking inspection. Local registration creates a costly bureaucratic barrier for IQPs having to register through multiple territorial authorities. There is no ability to appeal decisions made by a territorial authority or cluster group (regional groups consisting of a number of territorial authorities).

Some felt territorial authorities do not have the history, culture, background, experience, or competency to carry out an effective local registration system.

Another issue identified was that some qualification providers were endorsing their qualifications as requirements to become IQPs.

### **Suggested options for improving registration policy and process**

All submitters who commented on ways to improve registration policy and processes suggested a national register of IQPs or national registration body would solve the problem.

Details of submitter-suggested options for a national register have been included under option three, question six due to similarities in topics.

## **Question 2 summary: Building warrant of fitness regime – further improvement**

*Although changes to the building warrant of fitness regime are already improving performance, the Department has identified four areas with potential for significant further improvement. These areas are compliance schedule accuracy, monitoring and enforcement, owner awareness, and registration policies and processes.*

### **Question: Do you think there are any other areas with potential for significant further improvement?**

Question two gave an opportunity for submitters to comment or make suggestions on how to improve the BWoF regime through methods not covered by question one. While there were a range of ideas, they could broadly be categorised into five groups, education and guidance, procedures, licensing - IQPs and competency, legislation, and forms.

This section covers comments made under question nine and other comments made which did not fall within the topics of other questions.

#### **Education and guidance**

There was a general call for education and training requirements in the sector. Education and training are considered to be critical if performance improvements are to be realised in the areas identified by the Department. Specific suggestions for education and training for the following people were made:

- IQPs
- territorial authority staff
- building owners
- general public – via a national advertising campaign.

IQP education and training received the majority of comments relating to education and guidance requirements. A number of people also commented on territorial authority staff education.

#### **Procedures**

Various suggestions were made about procedural and system changes:

- Log books to record decommissioning maintenance and other inspections.
- Timeframes for fixing defects, what is reasonable?
- Mandatory reporting system for other building defects.
- The Department should be represented on standards committees.
- Better and faster response by the Department to feedback.
- IQPs should have more contact with territorial authorities if they know there is an issue.
- Industry association providing communication between people involved with compliance schedule work.
- Monitoring of BWoF suitability to the specified systems in the building should be carried out on a regular basis.

- The Department should encourage the Insurance Council to employ independent technical staff. Concerns that only two organisations can carry out surveys and certification for sprinklers.

### **Licensing, IQPs, and competency**

A number of submitters commented on licensing, IQPs and inspection personal competency. These comments are summarised under question five.

### **Legislation**

A number of submitters made suggestions which would most likely require a change in, or introduction of, regulation. Summarised they are:

- Provide a clearer definition of IQP including what 'suitably qualified' is.
- The list of specified systems needs to be defined and show what they include, separated into low, medium and high risk. The list needs to be rationalised and revisited (current list is confusing) with a standard numerical reference. For example, regulation is not needed especially when it comes to ss12. Audio loops can easily be checked for operation by a person with a hearing aid, while it is important it is not hard.
- More clearly defined roles and responsibilities for compliance managers and owner's (ie, ensure an employee of an owner can't undertake 'owners' inspections).
- Section 103(1)(d) of the Building Act 2004 (passive) systems to be 'dealt with' or clarified. Some submitters think they should be required to be on compliance schedules.
- There should be a requirement for territorial authorities to receive individual test forms which would show the degradation of a specified system over time. Any apparatus used for testing should be required to be re-calibrated and certified regularly.
- Compliance schedules should be changed each year and when there is a new owner or lease as a lot of equipment is taken with the owner.

Some submitters identified issues with current legislation, including:

- Amending compliance schedules is onerous.
- Too much of the Act is down to interpretation. Each territorial authority has their own view which places huge workloads and costs on those issuing BWoFs to meet these demands.

### **Integrated systems**

Several submitters referred to integrated specified systems and the importance of recognising these in the compliance schedule regime.

Compliance schedules should identify interfacing between specified systems to ensure they are tested accordingly. This will become more important as buildings become more complex where the specified systems are required to work together. A supervisor should be capable of checking the interface.

### **Forms**

Suggestions were made to standardise all forms and to prescribe a form for compliance schedules. Other suggestions related to changes to existing forms such as

adding an issue and expiry date on the BWoF and ensuring all and only the relevant specified systems are shown on a BWoF.

A number of comments relating to Form 12As were made:

- Decisions need to be made about the contractor 12A forms.
- The 12As should be available within days after BWoF, in some cases they are not being received until five months later.
- There are various reasons why a Form 12A cannot be issued, such as a new owner. The Act should have a similar provision to a certificate of acceptance for cases where a Form 12A cannot be issued eg, where an owner purchases a building with a current BWoF part way through the year and does not have inspection and maintenance records.
- More accurate recording by IQPs on their inspections, ie, registration number as well as signature.
- There is a need to recognise on the 12A or other form where 12 months certification can't be achieved as the present system does not allow for this.
- Make it a requirement to show all who have participated in the compliance schedule procedures of the Form 12A.

## **Question 3 summary: Building warrant of fitness regime – work programme**

*The Department is developing a work programme to target areas identified as having most potential for further improving the performance of the building warrant of fitness regime.*

### **Question: Do you have any comments on the action points for the proposed work programme?**

16 out of 47 submitters took the opportunity to make comments in this section (34%). 14 of the 16 submitters expressly agreed with the work programme, while two submitters made neutral comments not expressing their opinions on the work programme.

Several submitters said further consultation on the work programme will be required to ensure robust systems are put in place. A specific request was made to ensure IQPs were further consulted with for registration policies and practises. Others suggested the work programme focus on addressing compliance schedule accuracy and owner awareness issues. Some suggested a new campaign is required for owner awareness.

Other comments included:

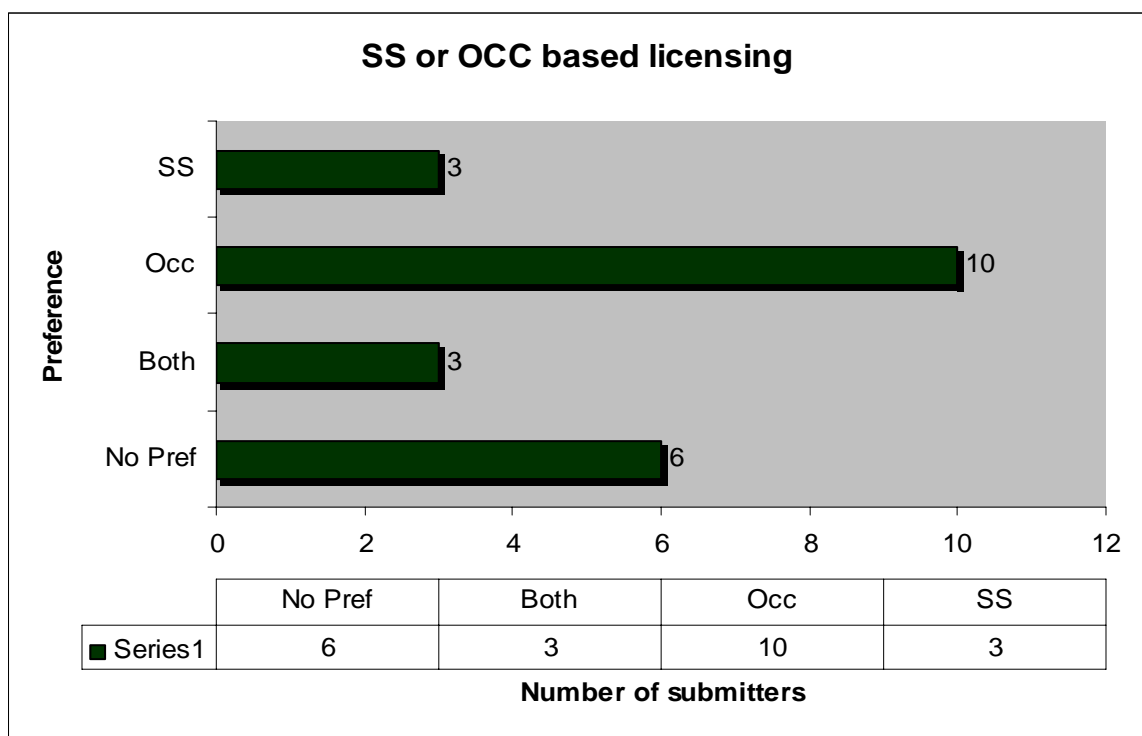
- Common sense needs to be applied, changes need to be considered with a holistic context. Flexibility needs to be applied for highly sophisticated buildings to minor buildings with limited systems.
- Issues are not huge and can be resolved in a way that will meet the public policy objectives of the Act.
- It is perceived most issues are easily resolved and it might be useful to arrange some meetings to discuss the options.
- Some see the biggest issue as the lack of training and training providers. This needs to be set up by the Department.
- Require new compliance schedules to be issued for all buildings.
- the Department should hold seminars for building owners as was done by the BIA.
- Implementing consistent standards throughout territorial authorities and IQPs is essential in ensuring the work programme succeeds.
- Work programme is supported to complement the BWoF regime and amendments to the Act are required to clarify and make licensing provisions workable. Licensing for the regime is also supported.

## Question 4 summary: Licensing – occupational or specified system based licensing

*The Department has identified a mismatch between the specified system-based approach of IQP registers and the occupational group-based approach of licensing.*

### **Question: Do you have any comments on workforce structures and occupational groupings within the IQP sector?**

22 out of 47 submitters took the opportunity to make comments in this section (47%). Three submitters preferred the specified system-based approach, 10 submitters preferred the occupational grouping based approach, three submitters preferred a system using both groupings while six submitters did not express a preference.



### **Specified system-based approach**

Some submitters who preferred the specified system-based approach also supported the use of supervision licensing classes. Supervision should be put in place if more than one person is doing the work. The supervisor should be qualified as per the approved specified system.

The testing and certification of IQPs must match the specified systems. There are concerns that if there was a fire systems licensing class, this would eliminate most of the smaller fire system service providers. This is because only large companies have the resources. People should be able to apply for gas flood system licensing class separate to normal sprinklers.

### **Occupational grouping-based approach**

Most submitters who preferred the occupational grouping approach argued the skills and expertise of single occupational groupings are used for several specified systems. Most IQP work flows on from normal maintenance activities, so the skills of the people involved tend to fall naturally into specific groupings.

These submitters emphasised the need to only allow IQPs to work within their area of competence and that coherent occupational groupings and sub-groupings are necessary. They also believe that risk groupings of buildings need to be part of the compliance process eg, three groups of low, medium and high risk. A supervisory role for overview of high risk buildings is required. This system will account for the people who would only want to be accepted to carry out procedures on lower risk systems that fall under a specified system, which may not be possible if acceptance was purely specified system-based.

It was suggested that instead of a single licensing class covering all or part of a specified system that part or all of any specified system can be added to a licensing class.

Some submitters said dividing specified systems into occupational groupings could only be done to a level that would not weaken the level of knowledge applied by the person responsible for the work.

While occupational grouping was favoured, some submitters noted that significant change will be required to move from the current fragmented structure that would suit licensing and support sustainable occupational groupings.

### **Specified systems and occupational grouping-based approach**

Some submitters argued a specified systems-based approach relating to occupational groupings could be used.

The argument for this view is that various skill levels are required for any given procedure for any given specified system therefore you couldn't just have one type of licensing class for one specified system.

### **Neutral**

A variety of comments and suggestions were made that did not contain express preferences for a specified system or occupational based licensing system. Comments include:

- Occupational group based approach will give flexibility, but may be harder to monitor/control.
- The mismatch is not as bad as the Department has identified.
- It is vital that the best features of the licensing system are utilised.
- Many of the activities of IQPs would be similar to those done by the designated building services licensing class.

### **Suggested specific categories/classes**

Some submitters suggested specific classes or categories:

- Designers need to show certain competencies/be licensed to design specified systems and should be required to draft compliance schedules. Currently there are issues about specified systems/compliance schedules caused by designers.
- There should be a class just for doors and people licensed in this class should not be required to know about means of escape. Doors shouldn't be limited to just ones on means of escape. Testing of doors should be identified separately on a compliance schedule in the case where there is a door system (including closing mechanisms) and then a hold-open device.
- Three levels of lift inspectors need to be determined, one covering consent and two levels of BWoF inspection.
- A larger number of classes for inspection should be developed, ie, commercial sprinklers, domestic sprinklers and differing alarm types. These should all have separate classes
- Building services licensing class should be mandatory.
- Include plumbers gasfitters and drain layers in the building services licensing class, to make consistent provision for backflow.

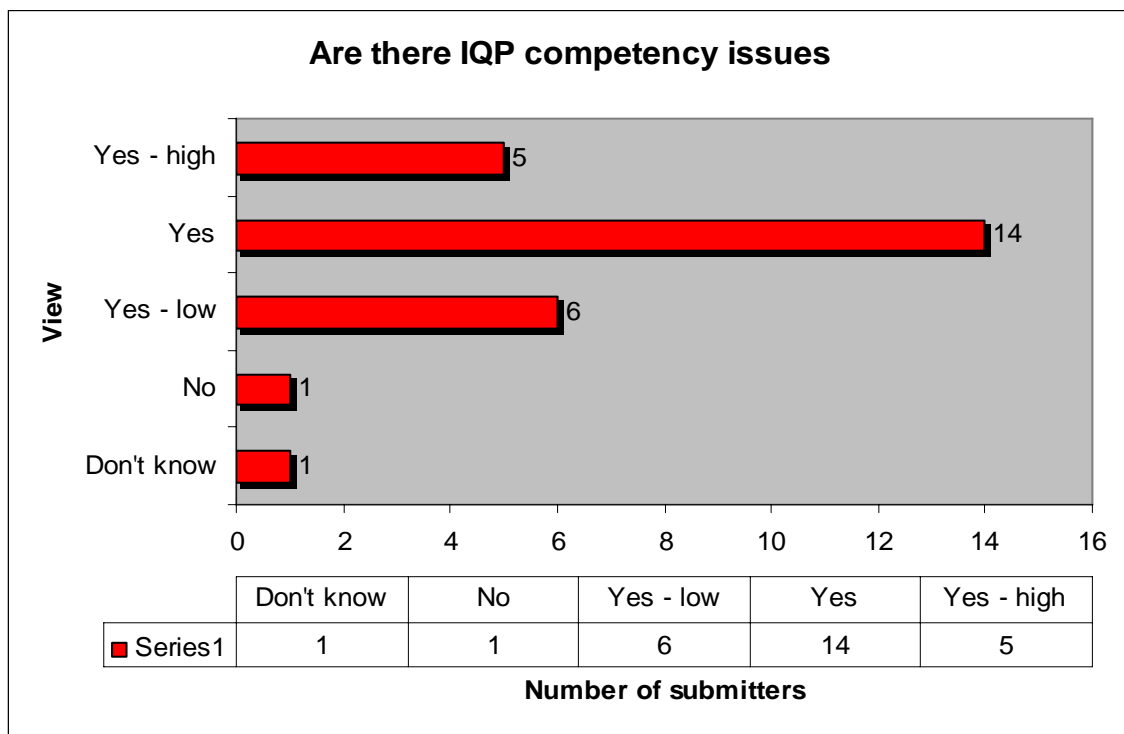
## Question 5 summary: Licensing – Independent qualified person competency and accountability

*The Department has not been able to find any clear evidence of competence and accountability risk across the IQP sector.*

### **Question: Do you think that there are any serious competence and accountability problems for any part of the IQP sector?**

27 out of 47 submitters took the opportunity to make comments in this section (57%). For the purposes of submission analysis the submissions were broken into the following groups in relation to whether submitters thought there were competency and accountability issues:

- Yes - high levels = 5
- Yes – no level specified = 14
- Yes - low = 6
- No issues = 1
- Don't know = 1



### **General competency and accountability issues**

One issue about historical acceptance of IQPs by territorial authorities came up a number of times in submissions, which is summarised below.

When IQPs were introduced it was a fundamental change for the better in the maintenance of mechanical service systems. However, many IQPs that came in when the former Act was introduced (and that still exist today) were not subject to

competence assessments for the systems they were registered for nor did they have much knowledge of requirements for registration.

Unfortunately, due to this and varying territorial authority assessments, the competence, accountability and quality of IQPs varies widely, as does their work. There seems to be very little auditing of their work. These issues are not helped by lack of provision to control incompetent IQPs. One submitter noted an account of a building consent authority trying to remove an IQP off the register but then the IQP took legal action against the building consent authority because there is no legal power to remove people from the register. Regional registers have helped but incompetencies exist.

Specific issues identified by submitters are:

- Reports of charging but not testing.
- Failure to notice relocation of partitioning that would adversely affect the performance of fire sprinklers.
- IQPs still issue 12As for less than 12 months.
- IQPs insisting owners upgrade systems before issuing a Form 12A certificate.

### **Low competency and accountability issues**

Six submitters believe there are 'not serious' or 'low' competency and accountability issues amongst IQPs. Some believe these are low enough to be overcome, especially through a national registration body. Another said they are low enough that licensing of IQPs is not required.

In the past there were IQPs who lacked competence and accountability however, most are no longer in the industry.

While these six submitters believe the risk is low they did say there are obvious different standards of performance and reporting and there should be some control and measuring system.

### **High competency and accountability issues**

Five submitters believe there are serious competency and accountability issues within the IQP sector. Reasons for this view are summarised below:

- Many examples of serious deficiencies in building and construction have been sighted.
- No follow up on suggested remedial action due to no remedial process or authority being in place.
- Some IQPs are not aware of the requirement to perform to better standards. There are issues with the owner wanting low costs resulting in the baseline procedures being carried out and the reluctance to point out deficiencies due to potential loss in contract.
- Some fees are extremely low which suggests work is not being done to the correct standard.
- Some companies are behind due dates for maintaining systems. This could be due to seasonal nature of renewal dates.
- Many IQPs don't have the information they say they are reporting against.

- Many sign Form 12As saying things comply when they have no idea what the compliance schedule says.
- Some IQPs are not sighting the compliance schedule they are reporting against, this is getting worse under the Building Act 2004 with the revisions made by territorial authorities.
- Some of this can be attributed to inconsistent evaluation or assessment criteria and inadequate qualifications and experience in fields of approval.
- Concerns about performance of some IQPs, accountability awareness of owners, availability of IQPs for new specified system.
- Councils receive feedback from IQPs about colleagues signing off testing as complete without undertaking the full test. This is almost impossible to verify.
- Councils receive an unacceptably high proportion of Form 12A certificates from IQPs that are non-compliant.

### **No competency and accountability issues**

One submitter commented that there are no IQP competency issues and the problem is with administration of unclear processes by territorial authorities. Some believe territorial authorities are incompetent in administering the Act. There is concern over territorial authority knowledge of lifts.

### **Don't know if there are competency and accountability issues**

One submitter commented that the real situation in the market place about IQP and BWoF credibility is unknown.

### **Submitter proposed solutions to competency issues**

Submitters who commented on the influence of historical acceptance of IQPs suggested:

- Another change in culture is required to lift standards further.
- A national register will help to improve this in the future.
- Impending introduction of higher energy efficiency standards and a higher level of inspection and maintenance will be needed. Licensing could provide the necessary culture change as local registration does not have the same clout.
- The role and responsibility of the IQP needs to be clear.
- IQPs need to remain current with the state of the art and developments on the systems which they are listed.
- Issues of competence need to be addressed when companies are sold (new owners) or apprentices complete work (level of supervision).

Other solutions suggested by submitters included:

- Insurance by the Department would solve the problem, similar to the 'certifiers insurance' with the BIA.
- Owners should be advised to verify that any IQP they engage holds satisfactory insurance cover.
- Improve the competency of IQPs and enforcement officers as compliance schedules come down to interpretation.
- IQPs should have basic understanding of the Act and regulations not just technical knowledge.
- Should qualifications be a requirement for someone acting on behalf of the owner?

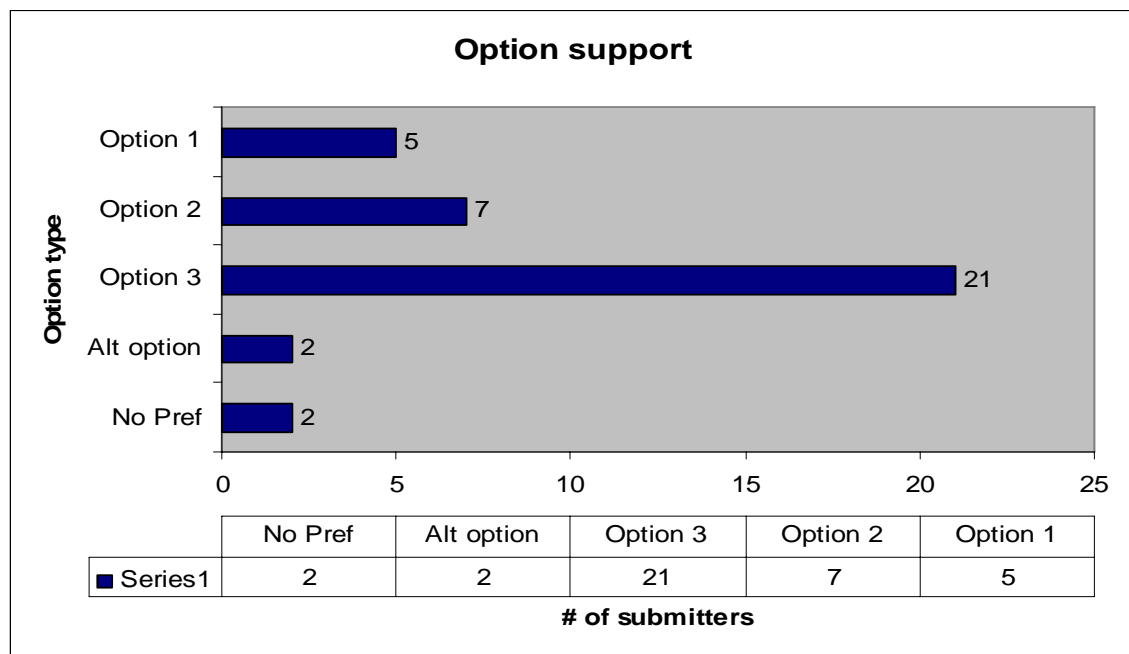
- There needs to be a complete reassessment of all existing IQPs against national assessment criteria.
- At this time a minimum standard approach may appear to be sustainable but BWoF would have to be continuously looked at to ensure they reflect contemporary needs.
- The system will become more professional when there is enforcement.
- Standardising the compliance schedule will overcome this issue.
- Guidance for territorial authorities on applying and administering the IQP system including the assessment of competence of an application for a particular license needs to be provided.

## Question 6 summary: Licensing – Licensing options

*The Department proposes that the Building Act 2004 is amended to remove the requirement for IQPs to be LBPs, permit future licensing and allow supervisory IQP licensing classes.*

### **Question: Do you have any comments on the proposed changes to the Building Act 2004?**

This question attracted the most attention with 37 of the 47 submitters making comments (79%). Seven submitters supported option 2, five submitters supported option 1, 21 submitters support option 3, and three submitters supported an alternative option proposed by one submitter. Two submitters did not express a preference.



### **Option 2 (DBH Preferred Option): Phased Transition**

*The Act could be amended to remove the requirement for IQPs to be LBPs from 30 November 2009. Provisions would be retained to allow licensing classes to be introduced in future should competence and accountability risks justify licensing once coherent occupational groupings have evolved.*

*In place of licensing, territorial authority-based approval of IQPs would be retained. The Department would invest in helping territorial authorities to develop a national registration framework based on coherent occupational groupings and supported by education and training. This would provide an appropriate transition from the Building Act 1991 to possible licensing.*

#### **Reason for support**

Seven submitters expressed support for option 2 over the alternative options. Most submitters supporting option two simply agreed with no explanation or agreed

because of the reasons given in the discussion document. Some submitters stated the discussion document gives good reasons for licensing to be delayed.

Specific support was given to the supervisory IQP licensing class idea to recognise that some specified systems require multiple occupational groups for inspection, maintenance and reporting procedures. Having a supervisory licensing class would bring a common sense approach to deal with the practical difference for some specified features requiring multiple occupational input.

### **Option 2 initiatives supported**

A number of submitters expressed partial support for option 2 initiatives in conjunction with a preference for option 1 or 3. Most support was for the supervisory IQP role if the supervisor takes full responsibility for procedures not directly carried out by themselves and insurance to cover this.

Other initiatives supported include making changes to the Act to clarify compliance schedule procedures can be carried out by IQPs and other people, and a system where quality of the work is underwritten by the quality and relevance of education.

Submitters acknowledged that territorial authority knowledge should be used at the time the IQP is to be registered.

### **Option 2 initiatives opposed**

Some submitters expressed specific opposition to option 2 initiatives.

Most submitters opposing option 2 do so because of the desire to have a national register. Submitters say a national register will get rid of problems currently faced with cluster/ partnership registrations. Central national register is essential for consistency of approvals and action taken against IQPs falling short of their obligations.

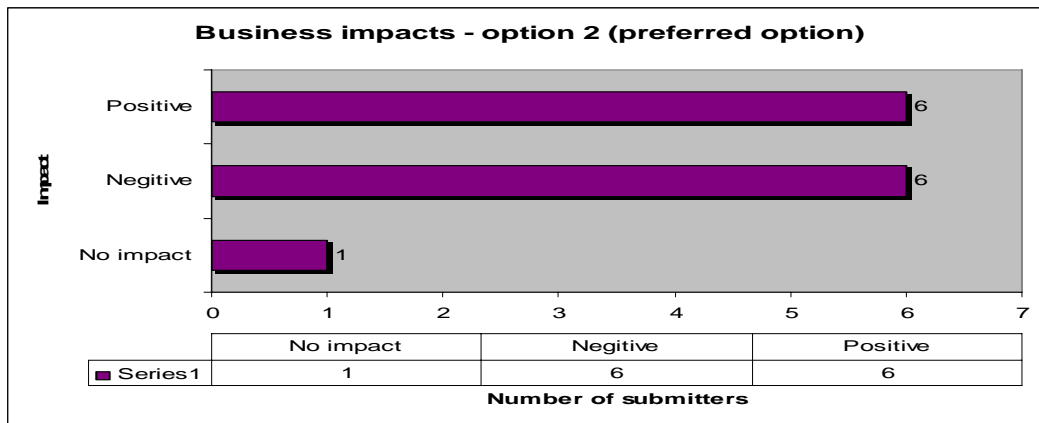
Some submitters went on to say there is no justification for leaving IQP registration with territorial authorities.

Other submitters questioned the reasoning for option 2 in the discussion document saying the absence of complaint or disaster is not a basis upon which to plan for the future. The stated intent to repeal and amend the Act to reflect the situation established by the former Act is premature.

Other opposing comments to option 2 include not agreeing with incorporating IQPs in the main part of the Act and removing them from transitional provisions. Option 1 and 2 would both continue the fragmented system. It is likely transition would continue past 2009. The supervisory approach also has some limitations.

### **Business impacts**

This information has been transferred from question 7 which received comments from 13 submitters out of 47 (28%). Six submitters believed option 2 would have a positive impact on business, six submitters believed option 2 would have negative impacts on business and one person believed there would be no change.



### Positive impact

- If IQPs and enforcement officers were more informed then our resources of time and labour would reduce greatly
- We are supplier of backflow devices. Most calls we get are from IQPs who do not know what they are doing so education of IQPs may help.
- Guidance will improve inconsistency.
- It may make auditing easier.
- In the long term it would show an acceptable return on investment for the country through improved performance of its building stock. Some smaller business may find it hard to up-skill. The Department will need to make incentives. Owners need to be taught that increased costs at the start are a good investment.
- This would remove a small part of evaluation of competency by territorial authorities
- Keeping IQPs rather than going to LBPs will provide a smoother transition to the LBP regime as currently required in the Act. It would reduce disruption and cost prior to the transition date in November 2009.
- National organisations can train and understand the knowledge required by their employees to attain IQP status. A single application for those who work across territorial authorities. National framework for IQP qualification. The cost and effort for territorial authorities to establish and maintain approvals and registration at a local level would be minimised.
- Potential for efficiencies and savings.

### Negative impact

- Ongoing costs and inefficiencies and inconsistency of interpretations.
- Cost to council for training staff and new administration system.
- The preferred option does not ensure any gains of efficiency over the current situation. Current system should not be continued with as it has not delivered acceptable outcomes.
- Option 2 leaves the cost and liabilities of the IQP scheme with the building consent authority who currently administers the scheme.
- More work and a bit of time for amending templates.
- Matching of licensing classes to occupational groups may have some problems.

- Having registered inspectors could cause a problem due to the time between courses where a recognized qualification can be obtained.
- Option 2 would have little impact for those only registered as IQPs in Auckland. But there would be an increase in cost for those who work across regions due to cost of travel and cost and effort of meeting diverse requirements of each territorial authority. These costs will be passed on to the building owner.
- Option 1 and option 2 will just perpetuate the inefficiency that exists now.
- The fragmented approach to compliance schedules will increase costs considerably.

### **No Change**

- IQPs who carry out procedures for lifts will not be affected by this option.

### **Option 1: Status Quo**

*The entire IQP workforce would need to be assessed for licensing before 30 November 2009. Licensing classes can be established for either:*

- *each specified system – resulting in some narrow licensing classes and some licensing classes with small numbers of applicants; or*
- *covering a broad range of specified systems (for example, two tiers of IQP licensing) – resulting in restructuring of the workforce over a short period.*

*The first approach would not create sustainable occupational groupings and would leave small numbers of practitioners to bear considerable licensing class establishment costs. The second approach would require most IQPs to increase their skills and knowledge considerably over a short time to meet broad licensing standards.*

### **Reason for support**

Five submitters expressed support for option 1 over the alternative options while some supporters of alternative options supported certain aspects of option 1. Perceived benefits of option 1 are similar to reasons given for not supporting option 2. These are a reduction in compliance costs administrative burden and responsibility, thereby relieving pressure on territorial authorities who are finding it hard to meet building consent authority functions. The Department is better resourced to ensure quality assurance and consistency in the approval process. Some submitters are also uneasy about local authorities continuing to administer the IQP system and feel the Building Practitioners Board should have an oversight role in terms of the complaints and appeals.

Some submitters believe a national register for BWoF inspectors through the licensed building practitioner framework is appropriate and will provide consistency in registration, competency and administration. A centralised national register could be the transition between now and a future licensing regime. The costs and burdens associated with the "Building Act" regime are not justified for the benefits expected in competency and accountability. Guidance cannot shift responsibility, achieve a different system or respond to cost issues.

Submitters believe the concept of licensing industry personnel is accepted by the industry at large and there is an opportunity to do this under the proposed building services licensing class.

### **Option 1 concerns**

Some submitters, while supporting option 1, accept there may be issues with replacing IQPs with licensed building practitioners. Also, the licensed building practitioner system requires significant work before 2009. For example, amendments to the Act are required to address the issues with the current licensing framework and license classes for BWoF inspection to ensure appropriate and workable licensing classes to reflect industry practise are supported. There is a need to create another sector within the licensed building practitioners scheme for people responsible for the inspection and maintenance of specified systems. However, the competency classes of those remain unclear.

### **Business impacts**

This information has been transferred from question 8. Of the 17 submissions on question eight, three submitters said option 1 would have a positive impact on business, three said option 1 or 3 would have a positive impact, one said option 1 would have a negative impact on business. One submitter said option 1 or 3 would have no impact.

### **Positive impacts**

- Avoids duplication and therefore creates efficiencies and reduces costs. This option will result in the direct saving of half a full time equivalent technical officer for the council.
- The critical mass developed in centralising all the registrations will allow the Department to employ specialists to do competency assessments. The council expects that this will have an impact on their business with less non-compliance found in auditing, and overall greater safety for the community.
- Setting up licensing for IQPs can be based on LBP regime as they are very similar.
- Occupational grouping may reduce number of classes.
- Acknowledgement of grandfathering approach.
- Removing IQP registration from territorial authorities would probably eliminate loss-making burden.
- More professionalism in the industry, adherence to quality standards and compulsory ongoing professional development through structured education programmes can only be good for our business. It will ensure a competitive level playing field.
- Easier to enforce.

### **Negative impacts**

- Owner's costs would significantly increase for licensing compared to option 2.

### **Option 3: New IQP Registration Body**

*A new registration body could be established under the Act to maintain a single national register of IQPs. The registration body would need to develop competence*

*standards, assessment capability, registration processes, and IQP performance management systems.*

*The registration body would need to initially 'grandfather' all existing IQPs before working on a gradual reorganisation of the registration categories and assessment criteria. This would support the development of sustainable occupational groupings.*

*The governance and funding arrangements would need to allow a more flexible approach than the licensed building practitioner scheme so that:*

- *practitioners in relatively low-risk fields do not face disproportionately high costs*
- *the registration system is able to implement a phased transition from entry criteria based on specified systems to competence standards based on occupational groupings*

*The registration body would need to borrow heavily on the expertise of those people within territorial authorities who are currently responsible for accepting IQPs.*

### **Reason for support**

Most submitters supporting option 3 do so because of the consistency, standardisation and transparent process within the country and industry that a national registration body and national register would provide. Option 3 is the only option that can result in consistent standards. Submitters say that option 3 should be implemented as soon as possible and local registration should not continue past 2009. Others believe that implementing option 3 is the only way in which the work programme will succeed.

Submitters supporting option 3 also agreed that a major benefit of option 3 is that IQPs could work anywhere in New Zealand, avoiding costly bureaucratic barriers for IQPs having to be registered by each territorial.

A number of submitters supported the grandfathering system proposed by option 3 as it would avoid excessive costs. The ongoing requirements for the national register would then be established.

It also provides a national one-stop for approvals, consistency in competency standards, robust complaints/disciplinary process and a definitive education/training pathway.

### **Option 3 concerns**

Submitters commented that some territorial authorities have not been as robust in their assessment of IQPs as others. This could cause competency issues with grandparenting in IQPs. They also said the registration body will need significant representation from territorial authorities and support from the industry.

### **Registration body**

A number of submitters went on to suggest potential operation and features of a registration body as follows:

- The registration body should be responsible for establishing competency standards and assessment criteria for IQPs.

- Competency based entry criteria and ongoing learning should be managed by each industry group. They need to have the flexibility to approve people from a range of backgrounds.
- Each IQP should clearly be approved only for work within their capability and experience. The qualifications authority could be used to determine competency of staff (like the fire protection industry).
- Some submitters suggested representatives of fire protection, HVAC, lifts, and both local and central government should be on the registration body
- CBIP or a similar national industry-related occupational group using auditable certification processes would be an appropriate registration body.
- Ability to restrict and remove IQPs from the register.
- Ongoing monitoring or review of IQP competencies is needed.
- A territorial authority portal to register feedback on IQPs is needed. (TA/IQP relationship needs to continue).
- Ongoing training for continued membership.
- A national competency standard for IQP registers.
- A national database of all current and financial IQPs needs to be maintained and freely accessible by the public.

### **Business impacts**

This information has been transferred from question eight. Of the 17 submissions on question eight, nine said option 3 would have a positive impact on business, three said option 1 or 3 would have a positive impact and one said option 1 or 3 would have no impact.

### **Positive impacts**

- IQPs complain of different rules for each territorial authority so there would be benefits from having only one set of rules.
- Territorial authorities would share information and support the training of staff. More training of territorial authority staff to be available so we are all uniform in thinking and procedures.
- A national registration body would rationalise costs as the need to register with a number of territorial authorities is cumbersome and expensive.
- National consistency.
- Provide a benchmark for developing competency standards.
- Consistent and accountable process for non performance complaints against IQPs.
- Basis for nationally consistent education and training of IQPs.
- Remove the current bureaucratic barrier for IQPs.
- Provides a clear path for complaints against IQPs.
- A national register operated in the same manner as the LBP register for assessment and discipline, for example, would help remove the current geographical limitations on the area of operation for IQPs. Any requirement for dual licensing (both IQP and LBP) would have a detrimental cost and compliance consequences.
- The advantages for individuals registering with a single authority instead of a number of them are considerable. When approving registration, the authority must make questions of liability clear. Individual registration may impose additional costs for registering, training and continuing education but it is a step we must take if progress is to be made.

- The ability to move IQP staff between territorial authorities will be an advantage to owners and to IQPs.
- This could enable IQPs to provide services to territorial authorities - particularly in setting up appropriate testing arrangements for unusual systems.
- National register and national assessment documents would provide the least impact on business and the grandfather process is necessary to manage legacy systems.
- National register will provide a smoother transition to LBP regime as currently required in the Act.
- It would reduce disruption and cost prior to the transition date in November 2009.
- A single assessment tool for the country is necessary so national organisations can train and understand the knowledge required by their employees to attain IQP status.
- Single application for those who work across territorial authorities.
- With a national framework for IQP qualification, the cost and effort for territorial authorities to establish and maintain approvals and registration at a local level would be minimised.
- Should reduce our workload for receiving approving IQPs.
- Appropriate education of the sector (many owners) to ensure responsibilities are defined will eventually reduce costs.
- Removing IQP registration from territorial authorities would probably eliminate loss-making burden.
- More professionalism in the industry, adherence to quality standard and compulsory ongoing professional development through structured education programmes can only be good for our business. It will ensure a competitive level playing field.
- Easier to enforce
- Would avoid major disruption and costs to existing business and existing IQPs, individuals and companies.
- Another benefit of a national register is that individuals, who wish to advance their career by gaining experience, would be able to migrate and change employment without having to validate their credentials with other territorial authorities.
- Would avoid duplication and thereby create efficiencies and reduce costs.

While option 3 has similar benefits to option 1 the continuation of a register may cause confusion. The changes to individual registration only and occupational work groups will have to be promoted to the industry. It will look like licensing but be called registration.

### **Suggested detail of IQP/LBP regime features**

Many submitters suggested specific details or features of a future IQP/LBP regime.

### **Registration standards/qualification**

Submitters commented on what the requirements for acceptance of a person undertaking compliance schedule procedures should be:

- Education and training must be developed to ensure future improvement in the inspection and testing of systems and the process inherent in the BWoF is achieved.
- Classes of IQP need to be established based on competency and the complexity of systems upon which they can work
- Standard criteria to be an IQP needs to be produced with clear qualification criteria and enough time for practitioners to gain a formal qualification. This will give IQPs something to work to and allow them to know what to expect. Currently there are lots of different goals from all the different territorial authorities. Some submitters believe IQP listings should be linked to industry qualifications. IQPs must have knowledge of the Act and regulations and people working on means of escape should also be required to have certain qualifications.
- There should be alternatives to qualifications, such as experience, for being accepted as an IQP.
- People registered on general engineering registers are suitable for doing supervisory work and no further assessment should be required.
- If IQPs are to be registered separately from LBPs, the system must allow LBPs to undertake the activities of IQPs (within their area of competence) without having to be on the IQP register.
- Include a code of conduct or standard of ethics into the system which the applicant has to agree to.
- People should have to do continued professional development.
- There should be competence-based registers at lower levels of competence so that all relevant levels of competence for supervisors are covered.
- Inspection and maintenance will require high competence in the future.
- People doing or signing off the work are obliged to be sure that all matters are covered (there are problems with procedures being done incorrectly, such as some practitioners leaving voids between firewalls).
- The costs and liabilities of registration and regulating the registration scheme should be transferred to registered persons through their registration fees.

### **Company or individual registration**

Around 10 submitters commented on whether inspection and maintenance personnel should be accepted on an individual or company basis. Most preferred there be no provision for company registration and people should be accepted on an individual basis. Comments include:

- Company registration is not acceptable but this should not mean individuals who are registered IQPs can't carry out work in the name of their company and being covered by company insurance.
- Move from company registration to where the IQP is registered to provide a service. Company registration does not confirm and ensure an inspection has been carried out by a suitably qualified person.
- License individuals in categories reflecting industry experience.
- Individual licensing class is required for the low risk buildings.
- IQP company testing and checking should be upgraded and IQPs retrained on sprinklers, warning systems, lifts, health and safety and means of escape, as well as signs and fire wall smoke stop doors.
- IQP registration requirements need clarification, eg a requirement for either individual registration or a provision for company registration. Company

registration can be managed to work effectively as it is at present. This will not only streamline the process but elevate staffing and cost impact.

- Provisional licensing may be needed with the loss of company registration.

### **Renewal**

Three submitters commented on what the IQP/LBP renewal frequency should be. Suggested frequency ranged from annually to two to three years to five years.

### **Name**

A number people commented on the name of people who undertake compliance schedule procedures. Many believe that LBP is not the correct name for people who carry out inspection and maintenance procedures. As people may be confused that they carry out building work, it is necessary to separate them from the trade group. Suggested names include:

- Systems maintenance professional
- Systems maintenance person
- Building maintenance professional
- Inspection – maintenance professional
- Systems maintenance and inspection professional
- Licensed service practitioner
- Licensed technical practitioner
- Licensed maintenance practitioner
- Licensed fire service practitioner
- Licensed fire safety practitioner
- Licensed mechanical practitioner.

### **Submitter proposed alternative option (1)**

One submission on behalf of eight organisations (one of which stated it was supported by 23 territorial authorities), proposed an alternative option to those presented in the discussion document.

#### **Option objectives**

National one-stop for approvals, consistency in competency standards, robust complaints/disciplinary process, a definitive education/training pathway.

#### **Option features**

The proposed alternative option is to have an industry-run registration body, appointed by the Department. This body would be responsible for establishing competency standards and assessment criteria. The IQP system would be a problem owned by the industry and territorial authorities experienced in IQP approvals. It would also have government oversight and owner input. There are many precedents for an industry run board (eg, plumbers and gasfitters, CBIP). Legislation needs to be written to allow the Department to appoint an industry run body to approve IQPs.

The Act will need to require IQPs to be financially independent. It is necessary to have an auditable, transparent and accountability step in order for the checks to be done independently.

### **Submitter proposed alternative option (2)**

Have an IQP licensing class where they are accepted by territorial authorities and put on a national register. The IQP status would be publicly available and the licensed person would have their licence at risk in the event of a serious transgression. Territorial authorities would have a second line of defence against IQPs, and incompetent IQPs would not be able to operate in New Zealand. The benefit of publicly available information is a move away from cumbersome paper-based systems. It is simple and reliable, like motor vehicle licensing. IQPs would have access to this database and enter the relevant maintenance and inspection results - just like motor vehicle WoF. However, they wouldn't get a BWoF unless all maintenance has been carried out. This could be a relatively small addition to the LBP scheme - this would streamline BWoF process and if IQPs used an online system then time and cost would be saved. The Department should be looking ahead of the immediate compliance and quality issues, with a view to implementing a system that could deliver improved assurance of the quality of maintenance and inspection personnel and outputs while delivering significant benefits for the economy as a whole.

## **Question 7 summary: Licensing – business impacts – preferred option**

*The Department proposes that the Building Act 2004 is amended to remove the requirement for IQPs to be LBPs, permit future licensing, and allow supervisory IQP licensing classes.*

*Question: What impacts (benefits and costs) do you think the proposed changes (preferred option) would have on your business?*

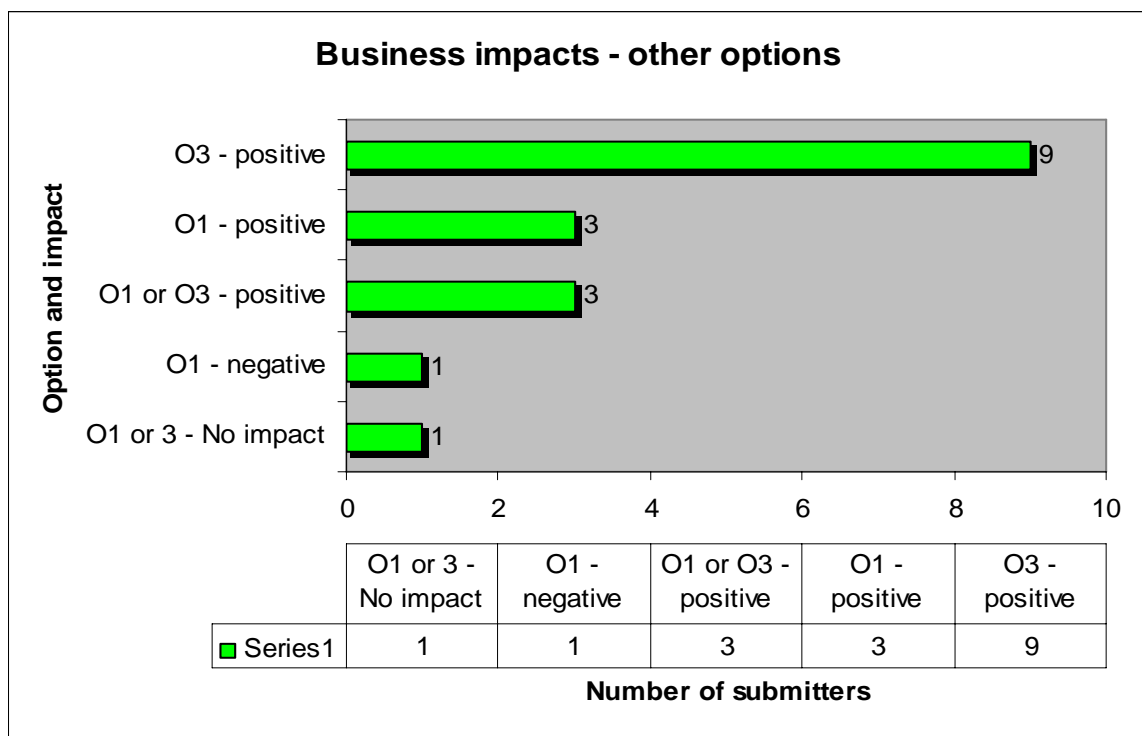
Details of submission on this section are summarised under question 6.

## Question 8 summary: Licensing – business impacts – other options

*The Department proposes that the Building Act 2004 is amended to remove the requirement for IQPs to be LBPs, permit future licensing, and allow supervisory IQP licensing classes.*

*Question: Do you have any comments on the other options and the impacts they would have on your business?*

This question received comments from only 17 submitters out of 47 (36%). Nine submitters commented on option 3 having a positive impact on business, three submitters commented on option 1 having a positive impact, three people commented on either option 1 or 3 having a positive impact, one person commented on option 1 having a negative impact and one person said option 1 or 3 would have no impact.



Details of submission on this question are summarised under question 6.

## **Question 9 summary: Licensing – other comments**

*The Department proposes that the Building Act 2004 is amended to remove the requirement for IQPs to be LBPs, permit future licensing, and allow supervisory IQP licensing classes.*

*Question: Any other comments?*

Comments made under this section have been transferred to question 2 due to the similarities in responses.