



Note: MBIE Submission Form had word count limitations, so editable pdf converted to a Word document on NZCB letterhead to enable NZCB's full responses to questions. MBIE font and format retained for ease of transferring our submission into a collated document.

Submitter information

A. About you

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B. Are you happy for MBIE to contact you if we have questions about your submission?

- Yes
 No

C. What is the best way to describe your role/organisation? If you hold any licences, please list them below too.

Membership organisation

D. What is your age? 55-64

E. What part of the country are you in?

Other - NZCB has three offices and 22 Regional Committees (and Presidents) nationwide

F. Are you making this submission on behalf of a business or organisation?

Yes – New Zealand Certified Builders Association

G. Privacy information

The Privacy Act 2020 applies to submissions.

Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.

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Part 1: Proposals for change

Part 1 of this document focusses on proposals for change within some of the occupational regulation regimes:

- 1A: supervision and licensing areas for the Licensed Building Practitioners regime
- 1B: the scope of a codes of ethics to be introduced for the Plumbers, Gasfitters and Drainlayers regime and the Electrical Workers regime.

Part 1A Licensed Building Practitioners regime: Proposals for change

For this section, please refer to pages 11-24 of the consultation document.

Proposal 1: MBIE proposes introducing an endorsement for the supervision of restricted building work. This will mean that not every Licensed Building Practitioner (LBP) will be able to supervise non-licensed practitioners, only those that hold the endorsement in the relevant class(es). This proposal will ensure that those who can supervise have been deemed competent to do so. It will also help address poor supervision in the sector and make it easier for the Building Practitioners Board to hold to account LBPs who supervise poorly.

- 1. MBIE has outlined a range of problems that are affecting the LBP regime, from the two overarching problems to the more specific problems detailed in each section. Are there any issues that have not been included?**

Yes

No

Please explain your answer.

Agree with the two overarching problem and three specific problem statements. Two comments:

- *Specific point No 3 regarding the flat structure of LBP not allowing for differentiation of an LBP who is qualified in carpentry vs. a LBP who is not, has long been a point of contention for those who have completed a carpentry apprenticeship. The result is that while homeowners may see LBP registration as a quality mark, the industry does not, due to the LBP admission bar being set too low.*

A move to create a class (Supervisor as proposed) would provide a quality mark for homeowners and industry alike, IF the admission bar for its attainment was set at a level that reflected some rigor, not at a level that was focused on filling market supply requirements.

- *At present, there is no requirement for the director of a building company to be an LBP. NZCB submits that this should be a requirement and further to that, if the requirement was for a building company director to be a LBP Supervisor, homeowners could derive a greater level of confidence in the building company they engage for their construction projects.*

2. Do you agree with the proposal for a supervision endorsement?

- Yes, and I think that competency needs to be tested to gain the endorsement.
- Yes, and I think that being licensed for a certain amount of time is enough to gain the endorsement.
- No, I disagree.

Please tell us why you agree or disagree.

Many who find themselves in the position of providing building work supervision, often fall into that role due to company expansion or because they 'have been in the trade long enough'. Neither of these are a measure of competency for supervision.

NZCB holds the view that the acquiring of supervision skills that are recognised as the prerequisite for the proposed LBP Supervisor' class', should be part of a LBP career pathway that is clearly mapped out. i.e.:

1. LBP (Step 1)
2. LBP Supervisor (Step 2)
3. LBP Business (Step 3) that includes Commercial Building Companies also

To be successful in providing the level of competency assurance that New Zealand homeowners deserve, the entry levels for LBP Supervisor and LBP Business would need to be set at levels that reflect experience and competency, not be set at levels that deliver quotas.

3. To be eligible to apply for a supervision endorsement, should an LBP be required to hold a recognised supervision qualification?

- Yes -LBPs must have a supervision qualification
- No -LBPs should be eligible to have their competence tested if they do not have a supervision qualification

Please explain your answer.

No - LBPs should be eligible to have their competence tested if they do not have a supervision qualification.

RESPONSES

NZCB suggests two pathways to LBP Supervisor, in order of preference:

1. *An LBP who IS qualified with Level 4 NZ Certificate in Carpentry (or equivalent) can undertake a competency assessment to attain LBP Supervisor.*
2. *An LBP who IS NOT qualified with Level 4 NZ Certificate in Carpentry (or equivalent), needs to undertake, and pass a recognised supervision qualification.*

This dual pathway approach allows the LBP Scheme to recognise the value of a carpentry qualification (which it hasn't to date) while recognising that most Tradespeople are practical learners.

4. Do you agree with the proposed 24-month timeframe for transition before the change comes into effect?

- Yes
- No, it should be longer.
- No, it should be shorter.

Please tell us more:

Agree that the proposed two-year time frame for transition. This is wholly dependent on MBIE moving quickly to endorse a suite of Supervisory qualifications (and their providers), and that the supply of those qualifications will be able to meet the demand from LBPs looking to upskill.

The dual pathway as proposed by NZCB (competency assessment for qualified builders, and standalone Supervisor qualification for those non-qualified builders), will take more planning than a single route approach. NZCB would support a longer migration period if that provided for the more expansive approach we are proposing, particularly if the approach was to incorporate LBP Business, a category that should capture commercial and residential building companies.

We believe that spending more time on the transition would be warranted to get the LBP pathway correctly framed to be one that will provide a much-needed lift in consumer confidence of the LBP scheme.

Proposal 2: MBIE proposes to make changes to the licence classes in the LBP regime. These changes are to:

- introduce a new area of practice for stonemasonry in the Bricklaying and Blocklaying class (to be renamed Construction Masonry)
- create a new licensing process for specialists, for example plasterboard and tanking installers; and
- introduce a new licence class for internal waterproofing.

This will mean that people wanting to do stonemasonry or internal waterproofing will now be required to be licensed. This will mean that the public can be assured of a practitioner’s competence before they begin work.

This proposal will also increase the regime’s efficiency by make it easier for specialists to become licensed to undertake very limited areas of restricted building work within a broader licence class.

5. Do you agree with the proposals for stonemasonry, internal waterproofing, and specialist installers?

Agree	Disagree	Prefer another option	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

- *Stonemasonry is generally a trade and takes several years for a practitioner to be classed as competent. Including stone masonry with the brick and block trades makes sense, as does renaming the ‘Bricklaying and Blocklaying’ licence class to ‘Construction Masonry’.*
- *Those who undertake internal waterproofing or specialist installation works are typically not trade qualified. A preferred approach is to tighten-up on the requirement for product*

manufacturers/suppliers to vet applicators as being certified to use the manufacturer's/supplier's products, and for those manufacturers/suppliers to sign-off the installers work upon completion of the application.

MBIE's comment that a Producer Statement (PS) is not recognised under the Building Act is noted, with NZCB noting itself, that PS's were once recognised by the Building Act, and that despite the lowering of a PS's status, BCAs generally require them. NZCB would encourage MBIE to revisit its position on PS recognition in conjunction with our preference for it to be product suppliers/manufacturers to take responsibility for the practitioners they certify to undertake installation of the manufacturer's product, and to sign-off on the completed contract works.

6. Internal waterproofing could cover many different trades in the sector. Do you agree that our proposed expanded definition of restricted building work would sufficiently cover all the trades in the sector?

Yes

No

Please explain your answer:

Agree that the descriptor, 'application of internal waterproofing' covers the trades in the construction sector, though as per our response to question 5, NZCB does not agree with MBIE's proposal to introduce a new Internal Waterproofing LBP licence class.

7. Please tell us what types of trades you think are likely to be impacted by the introduction of this new internal waterproofing class, and what trades should be included as areas of practice?

Few tilers, vinyl layers, wet area shower/bathroom installers, or plasterboard installers have completed a trade qualification (there are some exceptions), therefore they are not generally considered trades. Those trades that will be impacted by the proposed changes to waterproofing and specialist installers, will be the carpentry, flooring, and painting trades.

The impact of the changes to trades will be higher under MBIE's proposal, than what it would be with NZCB's suggested alternative approach of tightening up supplier/manufacturer vetting and certification, in conjunction with restoring the status of Producer Statements under the Building Act.

8. There are currently no recognised qualifications for tanking or internal waterproofing. Do you think these need to be in place before these areas are introduced to the regime?

Yes

No

Please explain your answer:

On the proviso that MBIE were to proceed with developing a new licence class for internal waterproofing as proposed, then yes, it is only logical that that a requirement for practitioners to undertake training, will be supported by MBIE approved training programmes being created and in place to accept enrolments.

As per our response to Question 5, NZCB does not support development of a new LBP Licence Class for internal waterproofing, vetting of applicators and certifying their work, is viewed by NZCB to be the domain of manufacturers and suppliers.

9. What impacts would you expect on you or your business from the proposed changes? These impacts may be economic/financial, environmental, health and wellbeing, or other areas:

The impact on NZCB members (builders) on what is proposed is: increased project cost in the medium to long term; and adding to project time in the short term.

Pertinent to new LBP Supervisor class

- *Additional project cost will likely flow through to the homeowner due to new training costs that need to be met by building companies who will be required to upskill existing team members to meet the requirements of the Supervision Endorsement, otherwise companies will need to employ practitioners who qualify for a Supervision Endorsement. Those who qualify for the new Supervision Endorsement will be seeking higher remuneration.*
- *Additional time for building projects will need to be factored in until such time as the pool of Supervisors is large enough to meet demand for building, which is already at high levels.*

NZCB IS SUPPORTIVE of the proposal to add a Supervision Endorsement as per our answers to Questions 2 and 3.

Pertinent to new LBP license classes

- *Additional project cost will likely flow through to the homeowner due to new training costs that need to be met by applicators within the new licence classes, and expectations on those who have undertaken specialist training to be paid more.*
- *Additional time for building projects will need to be factored in until such time as the pool of qualified practitioners within the newly developed licence classes, is large enough to meet demand for those trades.*

NZCB IS NOT SUPPORTIVE of the proposal to add new 'Internal Waterproofing' and 'Specialist Installer' licence classes, as per our answer to Question 5.

10. Do you agree with our estimation that at least 75% of eligible LBPs may apply for a supervision endorsement?

- Yes, 75% or higher.
 No, it will be lower.

Please explain your answer.

Two points:

- *A suggestion that 75% of existing LBPs, over half of whom (indicatively) do not have a carpentry qualification, could meet the requirements of a Supervisor Endorsement, suggests a continuation of the low LBP entry bar approach that has been the building industry's issue with the LBP Regime from the outset.*
- *The uptake really depends on whether it is a singular pathway (as MBIE is proposing) or dual pathways (as NZCB proposes). Uptake will likely be higher for the two pathways model, though even numbers for that are unlikely to be at the 75% of LBP level.*

Part 2: Issues MBIE would like feedback on

Part 2 of this document focusses on issues that MBIE would like to seek feedback and evidence on, to inform our understanding of the issues. This is work that is in early stages of the policy development process, and not yet ready to progress to options or proposals for change.

MBIE is seeking feedback and evidence on the following regimes and issues:

- 2A: Registered Architects regime: Review of the Registered Architects Act 2005 to determine if it is still fit for purpose.
- 2B: Licensed Building Practitioners regime: Review of the competencies and minimum standards for entry that must be met to be licensed.

Following public consultation and consideration of the submissions, MBIE will undertake further policy work and develop options for consultation next year, if appropriate. Your feedback will inform the next steps and any proposals for change.

Part 1B Electrical Workers regime, and Plumbers, Gasfitters and Drainlayers regime:

Part 1B topics are outside of the NZCB's area of interest, therefore Questions 11A, 11B, 12, and 13 have not been answered (or included in this document).

Part 2A Review of Registered Architects Act

For this section, please refer to pages 32-40 of the consultation document.

MBIE is undertaking a review of the registered architects regime to determine whether the current regime has achieved the benefits that were originally intended and has resulted in the effective and efficient regulation of architects.

We are now seeking your feedback on the extent of the issues MBIE has identified with the regime and your views on whether the regime has achieved the following outcomes:

- increased the overall competency of architects
- improved confidence in the building industry by increasing the credibility of those undertaking design work as architects
- resulted in higher standards of those providing design services in the building industry.

Outcome 1: Increase in the overall competency of architects

14. Is there a difference in the quality of a registered architect's design work compared to other design professionals, such as design LBPs?

- Yes
 No

Please explain your answer.

Yes, there is a difference to the quality of an architect's DESIGN work (it is higher) vs. architectural designers, though residential builders (which is NZCB's membership demographic - we are not qualified to comment on architects vs. non-architects work in the commercial market) perceive there to be negligible difference in DETAILING & DOCUMENTATION quality between architects and

architectural designers. Given that architectural offices employ architectural designers/draughts people to support the architect partners, this observation is not surprising.*

**Note: the term architectural designer is used instead of 'other design professional' as the latter term captures engineers.*

Outcome 2: Increased confidence in the building industry by increasing the credibility of those undertaking design work as architects.

15. How have registered architects increased credibility in the building industry? Please choose one of the four options below, providing feedback on whether architects have increased credibility in the building industry:

- Option one: registered architects provide a high level of confidence within the building industry through the quality of their work.
- Option two: registered architects provide some level of confidence within the building industry through the quality of their work.
- Option three: registered architects do not provide any confidence within the building industry through their work.
- Option four: Not sure about how registered architects contributed to increased credibility in the building industry.

Please explain your answer.

Outcome 3: Higher standards in the building and design industry

16. What are the potential risks of harm that could arise from an architect's role in the building process? Do you have any evidence of public harm that has been caused by architects?

Please explain your answer.

- *Adopting a form over function approach i.e., a preference for aesthetics over good, practical design.*
- *Specifying materials outside of their proposed area of usage.*

Non-architects can be guilty of the above also, though in the experience of residential builders, it is architects who push the envelope more in terms of design and material usage, than what architectural designers tend to do.

17. How well do you think the current occupation regulation regime is at holding architects to account?

- Very Good
- Good, but needs some improvements
- Not good, needs significant improvement
- Other

Please explain your answer:

It is a difficult and expensive process to hold anyone to account (not just architects) and should a complaint against an architect be settled by a confidential settlement, the public doesn't see the accountability. Therefore, it is hard to gauge the effectiveness of the current regulation regime for architects.

18. Is continuing occupational regulation justified for the architectural profession in New Zealand?

Yes

No

Please explain your answer.

NZCB agrees that there needs to be a professional body that recognises architects, as the large commercial and public building work in which they hold market share in designing, represents high risk.

Part 2B

Competencies in the Licensed Building Practitioners regime

Background

For this section, please refer to pages 41-43 of the consultation document.

MBIE would like feedback and suggestions for improving areas of practice competencies that LBPs must meet to be licensed. This includes setting the current competencies at a higher level, or adding new areas to the competencies. Improving the competencies will bring the competencies in line with the demands of the present-day sector.

19. How can the current competencies be improved to set them at a higher level? What specifically can you point to that needs to be improved?

Since the introduction of the LBP Code of Ethics, LBP competencies no longer mirror accountabilities to Practitioners Board e.g., responsibilities to the client relationship, and responsibilities in relation to procuring contract conditions. These are not a natural fit to a license that was designed around carpentry skills. A transferal of these aspects of the Code of Ethics to a separate 'Business LBP' licence as per our suggestion in Question 2, would resolve this misalignment.

20. Are there any new areas that should be added to the competencies? These may be general across all classes or may be specific to a certain class.

As outlined in our response to Question 2, NZCB proposes the addition of a Business License Class

MBIE would also like feedback on the interaction between the Design LBP class and the Registered Architects regime. MBIE is aware that some see the Design LBP class as a lower threshold compared to the Registered Architects regime and that there is a perception that the quality of work produced by some Design LBPs is of a low standard.

MBIE would like feedback on the interaction between the two regimes, whether any competencies should be added to the Design class, and what can be done to align the two regimes and close any regulatory gaps.

21. Do you agree with our assessment of the interaction between the Design class and the Registered Architects regime?

Yes

No

Could you recommend any improvements to the competencies in the Design class? Do you believe that the two should be more closely aligned and, if so, how?

The requirements of practice under the Registered Architects Act and the LBP Design Class are significantly different, the former has greater rigor. The two approaches are complimentary, though should retain a point of difference.

Part 3: Next steps

PROCESS AND TIMEFRAMES

Thank you for taking the time to read and respond to the questions in this paper. MBIE will analyse the submissions received and will report back to the Minister for Building and Construction in mid-2023. A summary of submissions will be released publicly on MBIE's website.

For the work covered in Part 1, MBIE will begin finalising the proposals based on the feedback received, including seeking final Cabinet policy decisions by potentially late-2023.

For the work covered in Part 2, your submissions will be used to determine a series of potential options for improvements to the respective regimes. MBIE intends to seek feedback on these options in 2024 through public consultation.

22. There will be further targeted consultation on the design and implementation of the proposals contained in Part 1 of the document before they are implemented. Would you like to be involved in this?

Yes

No

If so, please indicate which area(s) you would like to be consulted on.

NZCB would like to be consulted on changes to the following areas:

- *LBP Proposals; and*
- *LBP Competencies.*