

# Hauraki Trade Seminar



## Notes



**November 13, 2006  
Paeroa Racecourse  
Paeroa**

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## 1. Introduction

This summary provides a brief overview of questions, answers and comments received from the Hauraki Trade Seminar facilitated by the Hauraki District Council on Monday November 13, 2006. Seminar content was presented by the Hauraki District Council and the Department of Building and Housing. The information presented at the Seminar is attached in Annexure 1 – 5 of this paper. Annexures include:

- Annexure One: Seminar Program
- Annexure Two: Seminar Presenter Profiles
- Annexure Three: Hauraki District Council Update
- Annexure Four: DBH's Licensing of Building Practitioners

## 2. Welcome

Russell Bierre, Seminar Facilitator and Regulatory Services Manager of the Hauraki District Council opened the Seminar, welcomed all, summarized the Seminar Program (refer to *Annexure One*) and addressed a few housekeeping matters.

## 3. What are the changes for Hauraki?

Mark Buttimore, Planning and Environmental Services Manager of the Hauraki District Council presented the following information:

- An overview of the previous trade seminar
- An update of Councils improved services.



The PowerPoint slides for this presentation are attached in *Annexure Three*.

Comments, Questions and Answers arising from this session included:

**Question:** Do all Councils have the same building and resource consent requirements?

**Answer:** The requirements for the building industry to comply with the New Zealand Building Code are the same across New Zealand, however, application forms and district plan requirements may vary from Council to Council.

**Question:** Are all producer statements the same?

**Answer:** Under the *Building Act 2004*, Producer Statements are not referred to but, Council will continue to consider producer statements as a means of proof of compliance with the *Building Act* and *New Zealand Building Code*.

## 4. Occupational Licensing

Mark Scully is working on secondment to the Department of Building and Housing's Occupational Licensing team. His role is to provide input into a number of work streams within the Building Practitioner Licensing project. His presentation is included in Annexure three of this report and covered:

- What licensing will do
- How licensing works
- Work that requires a licence
- Licence classes
- Assessment
- Important dates
- Discussions in relation to training
- Questions and answers.



Some comments, questions and answers have been provided below:

### LICENCE COSTS AND LIABILITY

**Question:** How much will a licence cost?

**Answer:** There will be an initial assessment cost for each licence applicant and an annual licensing levy. At this stage we do not know what the costs will be, although the Minister for Building and Construction has talked about a one-off assessment cost of around \$500 and an annual licensing levy fee of about \$200. These are indicative figures, and the actual costs for some licence classes could be higher than that.

**Question:** How will the DBH / Registrar know if the documents provided with a licence application are real or false?

**Answer:** The Department is working on measures to ensure that an applicant provides proper documents with a licence application. One measure being considered is that the applicant will have their documents verified by someone like a Justice of the Peace, to ensure that copies of documents are true and correct.

**Question:** How is a licensed person identified?

**Answer:** Licence holders will have a photo ID, and a number on their licence card that links back to their listing on the public register, so that people will be able to identify them. One of the weaknesses of the Australian system is that they don't have photo identification, so a certain amount of fraud occurs.

**Comment:** Participants were concerned about additional costs involved with building practitioner licensing requirements, particularly regarding the cost of professional indemnity insurance.

**Question:** What is the Department doing about professional indemnity insurance? How much will liability insurance cost? How much will building costs rise as a result of the need for professional indemnity cover?

**Answer:** The Minister for Building and Construction has asked the Department for a report before Christmas on liability, professional indemnity insurance and home warranty insurance.

The Department recognises that there are concerns about liability considerations that need to be taken into account as part of the practitioner licensing scheme. Liability is not straightforward and professional indemnity insurance may not be the answer – ideally there will be a solution that supports the licensing scheme but does not require PI insurance.

There is a lot of work being done on these issues. As part of its advice to the Minister, the Department is working on what the best options are.

## STANDARDS AND ASSESSMENT

**Question:** Why don't you have to have a qualification to get a licence?

**Answer:** The Department found that only about 30% of builders have a qualification – it is much lower for other trades. At the same time there are competent tradespeople who do not have a qualification. If licensing was only based on qualifications, some people with a good track record would miss out, and the industry would come to a halt, as there would not be enough people working.

**Questions:** Will the licence standards align with qualifications? Will an apprentice who is working towards the National Certificate in Carpentry automatically get a licence?

**Answer:** The Design, Site and Carpentry standards are in draft form at the moment and will be finalised soon, after public consultation. Once the licence standards are finalised industry training organisations such as the BCITO will revise their qualifications over time so that they cover the requirements of the Licence Standards. It will take time to do this – Carpentry is only likely to require a “tweaking” but other licence classes such as Design 2 and the Site Licences will require more work. Eventually the

licence standards and the qualifications in New Zealand will align, but this may take some years.

**Question:** Will the standards be the same everywhere?

**Answer:** Licence Standards will be the same throughout New Zealand. Assessors will be using the same tools and methods everywhere, and the assessments will be moderated and audited to ensure national consistency.

**Question:** Who developed the Licence standards?

**Answer:** The Department of Building and Housing has been working closely with representatives from a number of trades and industry organisations on working groups, to develop the Licence Standards and to check that we have got the scheme right.

**Question:** How does a person get a licence?

**Answer:** Licence applicants will have to demonstrate their competence by drawing on their project record and providing the names of referees. There are some things people can do now, including documenting their work, taking photographs, and thinking about who their referees might be.

**Question:** When will the rules and regulations be in place? Will the Hauraki group have the opportunity to comment?

**Answer:** The Department is working with industry groups and associations to develop the scheme. Once the Minister for Building and Construction is satisfied with the scheme design, Regulations will be drafted. The Parliamentary process requires that all draft Regulations have a period of public consultation before they become law. One way to ensure that people have an opportunity to comment, and are generally aware of what is taking place, is to log on to the Departments website and register for regular licensing updates. You can do this by going to <http://www.dbh.govt.nz/building-index> and using the “subscribe to the Licensing update” on the right hand menu.

**Question:** New Zealand does not have its own (building) standards.

**Answer:** New Zealand does have national compliance documents published by the Department of Building and Housing. These are available free on the Departments website. Standards New Zealand also publishes a range of national, building-related standards.

## CONTINUING COMPETENCE

**Question:** How much will the ongoing competence requirements cost?

**Answer:** The details of the ongoing competence requirements (or CPD) are still being worked out, and the Department will be doing a lot more work on this in the New Year.

**Question:** What and how much will a licence holder have to do?

**Answer:** Requirements in terms of how much has to be done and what has to be covered will vary for different licence classes, and will be set by the Building Practitioners Board.

**Question:** What will be done to ensure that CPD is relevant and meaningful? Who is going to deliver CPD?

**Answer:** The Board will review and approve options for meeting continuing competency requirements. Examples could include attending a BRANZ seminar, seminars run by Trade outlets, product seminars and so on. Staff at the Department expect that the time and cost involved to be fairly modest.

**Comment:** Members of the audience commented that even if the costs were low, the real costs included:

- The costs of travel to and from the event
- Downtime / lost income covering time for training

**Comment:** An audience member who was a plumber told the meeting that a lot of plumbers and gasfitters didn't re-register because of the costs when the gasfitters and plumbing CPD requirements were introduced.

## **DO IT YOURSELF WORK (DIY)**

**Question:** Is New Zealand going to have exemption for home owners to do work without a licence like they do in Australia?

**Answer:** The Minister for Building and Construction has asked the Department to provide detailed reports on ways to manage DIY work. No decisions on DIY exemptions have been made at this stage.

## **BUILDING ELEMENTS MANUFACTURED OFF-SITE**

**Questions:** Why are tradespeople being licensed but not manufacturers? Licensing does not address the concern of poor quality products such as the seals used in aluminum windows, and pre-nail frames and trusses.

Most houses are made with pre-nail frames and trusses. Why isn't this group being licenced??

**Answer:** Occupational licensing is not the right tool for establishing quality for manufactured building elements. That would require an accreditation system that used quality assurance processes to ensure consistent manufactured quality.

The Licensed Building Practitioner scheme focuses on licensing people who perform important roles on a building site, and which sets a benchmark for the skills and knowledge required for those roles.

**Question:** Why should a site lead have to sign off the whole project when he has no control over what happens at the pre-nail factory – look at the recent case where Carter Holt Harvey supplied below strength timber? How can a site lead be responsible for that?

**Answer:** Licenced practitioners are accountable to the Building Practitioners Board. The Board will consider whether a licensed person acted reasonably in the circumstances. The Board is not going to hold a licensed person responsible when a company deliberately supplies the wrong grade of timber in roof trusses. At the same time, if pre-nail frames arrive from the factory that are clearly untreated timber, for an exterior wall that requires H1.2, a licensed person would be expected to query something like that.

## COMPLAINTS AND DISCIPLINE

**Question:** How will false complaints get weeded out?

**Answer:** Any member of the public can complain about a licensed person and the Board must consider that complaint. Investigators working for the Board will decide whether a complaint is real and should proceed further or whether it is motivated by “sour grapes”.

**Question:** How do we know that cowboys won't get treated softly by the Board?

**Answer:** If a complaint is upheld, the Board can take a range of measures, including ordering the licence holder to undertake training, imposing a fine, or removing the licence.

**Question:** Licensing won't get rid of 'cowboys'. The cowboys will hire someone to get all the requirements ticked off.

**Answer:** No scheme will ever be perfect. There will always be some people who slip through the gaps, and there will be people who want to pay licensed people to approve work that should not be approved. Licence holders will need to consider whether this is worth losing their licence for; because over time, people who don't operate properly will be weeded out, and they won't be able to practise anymore.

There will be a public register of licensed people, and any disciplinary action taken against an LBP will be listed against a person's name. People wanting to employ a licensed person will look at the register and see whether the person has a licence and if any complaints against them have been upheld. We think this will motivate licensed people to follow the requirements properly.

### **THE RELATIONSHIP BETWEEN THE BUILDING PRACTITIONER LICENSING SCHEME AND THE ROLE OF THE COUNCIL (BUILDING CONSENT AUTHORITY).**

**Question:** What role will the Hauraki District Council have in terms of the Occupational Licensing scheme?

**Answer:** The Council will be involved in the following ways:

After November 2009, every building consent application must be "signed off" in some way by a Design Lead, who must confirm that the plans and specifications demonstrate compliance with the Building Code. If this doesn't happen, the Council won't accept the building consent application.

The Building Act requires the building consent applicant to provide the Council with the details of the licensed building practitioners who will be working on the critical elements of the building project. If the applicant does not know who the licensed people are at the application stage, they must notify the Council when they do know.

Then as part of the request for a Code Compliance Certificate, the applicant must provide the names of the licensed building practitioners who worked on the project.

**Question:** What will Council be inspecting if there are licensed people and a Site Lead to oversee the building project?

**Answer:** Occupational licensing is mainly about setting a national benchmark for competency i.e. ensuring that competent people are working on certain important aspects of the project. The Council (the "Building Consent Authority") remains responsible

for issuing building consents, doing inspections and issuing Code Compliance Certificates. The Building Consent Authority therefore still has the final say on matters of building compliance.

## GENERAL COMMENTS

Audience comments during the session included:

The licensing process at its present state was too airy fairy and there seemed to be a lot that the Department didn't know yet.

There appeared to be a lack of co-ordination within the Department.

The licensing process appears to be piecemeal.

**Comment:** Mark Scully said that the Licensed Building Practitioner scheme was a really big project – a building comparison would be that we are building a Sky Tower rather than a simple house - and that working out all the details is a huge job that takes time. The scheme is being finalised and the key details of the scheme will be known by April next year.

## 5. Building Industry Group

Given the high level of interest in the Occupational Licensing component of the Seminar, and the Department of Building and Housing's limited availability due to the Department being based in Wellington, it was decided that another meeting would be held to specifically concentrated on the concept of a Hauraki owned and controlled Building Industry Group.

The Hauraki District Council were calling for nominations for industry representation on the proposed Hauraki Building Industry Group. People could nominate their representatives via the building section of the Council's website or pick up a nomination form on the night and /or pick up a form from the Hauraki District Council offices. Once the Council had received adequate nominations to represent all of Hauraki's building industry sectors, the industry would be advised of the Building Industry Group meeting through the Council's BCA newsletter and published advertisements in the Hauraki Herald newspaper.

## 6. List of Annexure's

- One: Seminar Program
- Two: Hauraki District Council Update
- Three: DBH's Licensing of Building Practitioners

## Annexure One: Seminar Program



## **Annexure Two: Hauraki District Council Update**

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## Annexure Three: Licensing of Building Practitioners