

Regulation of IQPs – past, current & future

Water NZ – Backflow
conference 2009



Department of
Building and Housing
Te Tari Kaupapa Whare



Overview

1. Background
2. Building Act 2004 requirements
3. IQP licensing review
4. New regulatory philosophy
5. LBP streamlining proposals
6. Working group/industry run body
7. Wider review of occupational licensing and Building Act review – impacts on IQPs



Department of
Building and Housing
Te Tari Kaupapa Whare



Background

Building Act 1991

- Introduction of BWoF regime
- Introduction of IQPs
 - o Operative stakeholder
 - o Carry out inspection and maintenance
 - o Definition
- Establishment of registers



Department of
Building and Housing
Te Tari Kaupapa Whare



Background (Cont.)

Building Act 1991 issues

- Cost of local registration
- Inconsistency
- Complaints/discipline
- Education/training



Department of
Building and Housing
Te Tari Kaupapa Whare



Building Act 2004 requirements

Changes to the requirements for IQPs

- Recognition of local registration issues
- LBP scheme seen as suitable avenue for addressing issues
- Licensing from 30 November 2010



Department of
Building and Housing
Te Tari Kaupapa Whare



Review of IQP licensing

Review in 2007 concluded:

- IQP industry is not well suited to the occupational based licensing system, and is likely to require significant change to do so
- Conclusions based on:
 - o Specified system vs occupational acceptance
 - o Range of occupation tasks
 - o Small part of business
 - o Company vs individual arrangements



Department of
Building and Housing
Te Tari Kaupapa Whare



Review of IQP licensing

Consultation on various options for IQPs

Feedback:

- o Desire for national consistency
- o Need for some form of regulation to address IQP competency and accountability issues
- o Preference for national IQP registration body



Department of
Building and Housing
Te Tari Kaupapa Whare



Regulatory Philosophy

- New Government was elected on a platform of reduced regulation
- Minister for Regulatory reform: Hon Rodney Hide: *a whole raft of excessive charges and unnecessary restrictions is having the combined effect of killing businesses ... [which] has the effect of lowering the productivity on which our standard of living relies. It's death by a thousand cuts...*
- Seen a roll-back of regulatory measures
- Preference for self-regulation, non-government solutions, smaller government



Department of
Building and Housing
Te Tari Kaupapa Whare



Regulatory Review Programme

- New regulation needs to be
 - the minimum necessary
 - generic and simple
 - self-regulatory where appropriate
 - durable, predictable and adaptable
 - international best practice
 - imposing only minimal compliance costs
 - minimising adverse impacts on key considerations



Department of
Building and Housing
Te Tari Kaupapa Whare



LBP streamlining proposals

Opportunities identified to reduce the cost and complexity of the LBP scheme:

- o fast-track, simplified, lower cost application process for trade-qualified practitioners
- o Simplifying the building categories underpinning the scheme
- o Removing further duplication with other occupational licensing schemes
- o Strengthening the obligation for practitioners to work within their individual competence.
- o **Not proceeding with licensing of people who coordinate and oversee the construction of active building services or those who inspect and maintain such systems once in place (IQPs) – on the basis that the costs of licensing would outweigh the benefits.**



Department of
Building and Housing
Te Tari Kaupapa Whare



IQP proposals

- Remove the requirement for IQPs to be licensed
- Retain the current transitional arrangements (local registration as under the 1991 Act) continuing
- Increase support and provisions for the formation of a national or regional IQP registration

Feedback -

- Majority of submitters support proposals
- Some support for retaining requirements
- Benefits in regulation – but not licensing through the LBP scheme



Department of
Building and Housing
Te Tari Kaupapa Whare



IQP working group

- Formation of an IQP working group
- Development of fundamental criteria for national registration
- Hamilton City Council proposal
- Scoping underway of work required



Department of
Building and Housing
Te Tari Kaupapa Whare



Occupational regulation review

- Purpose – generic review to identify systematic issues
- MED to assess and update the general framework:
 - o reasons for regulating
 - o reasons for not regulating
 - o best practice regulatory elements
- DBH is the second-largest regulator of occupations (after the Ministry of Health), so we will be expected to undertake our own more detailed review of occupational regulation from 2010



Department of
Building and Housing
Te Tari Kaupapa Whare



Occupational regulation review

- DBH review will assess IQP and 'installers' functions in terms of the framework and how it applies to building-related occupations
- Look at reasons for occupational regulation
 - o reducing the risk of harm
 - o need for an accessible, robust and transparent complaints and discipline system
 - o need for greater practitioner accountability
 - o enhancing practitioner safety
 - o enhancing the value of NZ's building stock
 - o consumer protection



Department of
Building and Housing
Te Tari Kaupapa Whare



Occupational regulation review

- We will look at the various occupations we currently license – registered architects, chartered professional engineers, engineering associates, building practitioners, electrical workers, plumbers/gasfitters and drainlayers
- examine whether there are good reasons why they should continue to be licensed
- If so, what is the best assessment, governance arrangements etc
- whether having a variety of different Boards is the best way to govern the sector
- and whether persons not currently licensed (such as those who install, maintain and inspect specified systems should be licensed in some shape or form.



Department of
Building and Housing
Te Tari Kaupapa Whare



Building Act Review

Currently underway

- Fundamental issues around the allocation of risk and liability
- Exempt building work
- Moving to a more risk-based consenting and inspection process
- Potential for self-certification
- Role of insurance and home warranties
- Role of BCAs/councils
- Facilitation of consolidation of BCAs



Department of
Building and Housing
Te Tari Kaupapa Whare



QUESTIONS?



Department of
Building and Housing
Te Tari Kaupapa Whare

