

LITMUS

# Evaluation of the Building Consent Authority Accreditation Scheme

Final report

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# Executive summary

This report presents the findings of the evaluation of the Building Consent Authority (BCA) Accreditation scheme (the scheme).

## Evaluation of the BCA Scheme

The evaluation purpose is to inform improvements to the design of the scheme and its implementation. The evaluation answered the following three Key Evaluation Questions (KEQs):

1. Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?
2. How effectively is the scheme currently working to achieve its intended outcomes? Does the current scheme provide assurance BCAs are performing effectively?
3. To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as the central regulator, to ensure BCAs' compliance with expectations of the scheme?

We interviewed 13 stakeholders from the Ministry of Business, Innovation and Employment (MBIE) and other national-level stakeholders including IANZ, 19 stakeholders from seven accredited organisations in Auckland, Waikato, and Canterbury, and 12 designers (architects and engineers) and builders in Auckland, Waikato, and Canterbury. We also reviewed key documents to understand the design features of the scheme.

We assessed the scheme against the Government's expectations of good regulatory practice.<sup>1</sup>

### **KEQ1: Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?**

#### **The BCA Accreditation Scheme**

The scheme came into force in 2006 and sets out the minimum policies, procedures, and systems that a building consent authority must have, and consistently and effectively implement, to perform its building control functions. The design stemmed from the 2004 reforms to regulate and improve the building system. In 2016-17, MBIE reviewed and implemented reforms to the scheme.

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<sup>1</sup> The Treasury. (2017). *Government expectations for good regulatory practice*. Wellington: Treasury. Retrieved from <https://treasury.govt.nz/sites/default/files/2015-09/good-reg-practice.pdf>

### **The scheme is clearer and more transparent since the 2017 changes to the Regulations. The Scheme has also become more process focussed**

The 2017 changes to the Regulations have made the scheme's purpose and objectives more evident. BCAs value the addition of process-focussed goals that are more aligned with the Regulation's accreditation requirements. The roles and responsibilities of MBIE, IANZ and BCAs have become clearer since the changes. However, the detailed guidance has led to the scheme becoming more process focussed. BCAs are also finding assessments less valuable, and assessments are potentially distracting from the big picture – good consenting decisions.

### **Complying with the Regulations has become more challenging for BCAs recently**

BCAs are spending more time and resources on accreditation than they did previously. The move from the fixed fee framework to the fee-for-service structure in 2017 has contributed to higher actual versus estimated costs for most BCAs, particularly for smaller BCAs. Furthermore, many BCAs have challenges retaining and maintaining staff in the buoyant construction economy, and staff training is a long-term investment. Positively, cluster groups enable BCAs to be strategic around managing and sharing resources to gain efficiencies. Smaller BCAs particularly benefit from being part of a cluster.

### **The scheme is consistently applied but does not adapt to diverse BCAs**

The scheme is applied consistently across all BCAs regardless of size, the volume of consenting and complexity of building environment. This ensures all BCAs meet the scheme requirements. However, the scheme has limited flexibility to respond to local contexts and needs, particularly for small BCAs who have fewer resources to comply with the scheme.

### **The scheme is affected by the way supporting regulatory systems operate**

The scheme design relies on the supporting regulatory systems (the Licensed Building Practitioners (LBP) Scheme and the Building (Product Certification) Regulations) to improve the building system. BCAs consider the LBP Scheme needs strengthening to improve the quality of buildings and consent applications submitted to them. BCAs are also seeking better support to assess building products. Limited public awareness of and support for the scheme is also restricting its effectiveness.

### **The scheme is comparable at many levels with other jurisdictions**

Schemes in Canada, Australia and the United Kingdom rely on building consent officers' qualifications and registration with oversight bodies. Building surveyors can be registered to different levels, depending on risks. New Zealand is comparable to these jurisdictions in many ways. However, our scheme relies on registering organisations and ensuring building surveyors are qualified. New Zealand's workforce challenges may limit the scheme's ability to adopt international workforce approaches.

### **Evaluative judgement**

The scheme design ensures that BCAs are contributing to better building outcomes and that MBIE has oversight of BCA performance. As the scheme becomes more detailed and focused on process outcomes, it risks becoming less effective at contributing to system-level outcomes. The scheme is comparable with other jurisdictions at many levels but lacks the flexibility that might benefit smaller BCAs.

## **KEQ2: How effectively is the scheme currently working to achieve its intended outcomes? Does the current scheme provide assurance BCAs are performing effectively?**

### **There have been positive outcomes from the BCA accreditation scheme**

The scheme has made steady progress in achieving process-level outcomes and contributed to system-level outcomes. The scheme has also:

- Improved MBIE's regulatory stewardship of the building consent function
- Improved status and increased resourcing of building consent authorities
- Improved quality management amongst BCAs
- Ensured BCAs have more robust and consistent policies, procedures, and systems
- Increased the number of skilled and competent staff who undertake building control functions.

### **While most BCAs have good practices in place, some BCAs are still not fully compliant with the scheme**

Most BCAs have good processes in place. However, a significant number of organisations have not developed policies, procedures and systems that fully meet the requirements of the MBIE's guidance and checklists and the Regulations.

The scheme does not have well-defined performance criteria. This makes it challenging for BCAs to know how to become high performing BCAs. The scheme is also not rewarding high performing BCAs with less frequent assessments, thus limiting the incentives for BCAs to improve. The scheme has just completed the first round of assessments after the 2016-17 review. A greater maturity may emerge as the next round of assessments begin.

### **The scheme does not always deliver predictable and consistent outcomes**

The scheme assumes that following appropriate processes and systems consistently will contribute to long-term outcomes of safe and high-quality buildings. However, the scheme is unable to prevent failures that occur when BCAs chose not to follow accredited processes and systems unless these failures are identified during the accreditation assessment. Factors such as leadership or political pressure may still undermine good decisions and building outcomes.

The scheme has a limited role in assessing the quality of consent decisions and the subsequent intended improvements to building quality. As a result, stakeholders do not know to what extent the scheme is contributing to improving the quality of buildings in New Zealand.

#### **Evaluative judgement**

The scheme is achieving the intended outcomes, and many other wider outcomes, although continued poor performance is evident in some BCAs. Complying with the scheme is challenging for BCAs due mainly to system- and scheme-level factors such as workforce limitations, low investment at a sector level to improve building safety and quality, and limitations from small BCAs. The scheme does not currently have adequate monitoring data to assess whether building system outcomes are improving.

### **KEQ3: To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as the central regulator, to ensure BCAs' compliance with expectations of the scheme?**

#### **The scheme has limited tools to assist compliance and manage performance**

The building system needs well-performing BCAs, yet the scheme is not currently using all the levers available to encourage good performance or manage poor performance. National stakeholders consider the levers to manage poor performance are too limited. Revoking accreditation is the last resort as it has broad ramifications for the affected BCA, the regulator, other BCAs, and the public. Revoking accreditation has only been used once in the history of the scheme.

#### **The scheme is operating in a changing context**

The building law reform programme will affect the scheme. BCAs will need more education, guidance, and support to respond to regulatory changes on building products and building methods and the framework for modern methods of construction. To determine whether building quality is improving overall, the scheme will need to address the lack of monitoring data.

## **Evaluative judgement**

The scheme is not currently using all the levers available to encourage good performance or manage poor performance. National stakeholders consider the levers to manage poor performance are too limited. Tools to encourage good performance have also had limited use in the scheme. The scheme has insufficient education and guidance tools to respond to the changing context of the building law reform programme.

## **Recommendations**

The evaluation makes the following recommendations based on the evaluation findings.

To reduce resourcing challenges for BCAs:

- Consider ways to support BCAs transition to digital services to reduce the number of days IANZ spends on-site.
- Assess whether BCAs can introduce a self-assessment component to minimise costs.
- Consider reducing the level of assessments for BCAs who share a standard quality assurance manual.

To manage BCA performance:

- Incentivise good performance by defining good performance within the scheme for BCAs and reward good performance with fewer or less intensive assessments (as proposed in the changes implemented through the 2017 review).
- To better manage poor performance, strengthen existing performance management levers and develop easier pathways to use these.

To strengthen system-wide factors that influence the scheme's implementation and outcomes:

- Increase stakeholders' awareness of the scheme and understanding of the role of BCAs.

To support BCAs struggling with resourcing and employing qualified BCOs:

- Identify ways to implement greater flexibility in the BCO qualification requirements to allow BCAs to streamline the consent process and allocate resources more effectively.

To identify whether the scheme is contributing to high quality and safe buildings in New Zealand:

- assess building outcomes in a sample of consents, either after each accreditation round or less frequently (building quality outcomes are likely to take time to emerge).
- Use available data on housing quality throughout New Zealand to monitor the long-term outcomes of the scheme and assess to what extent the scheme is likely to be contributing to improving building quality.

# Evaluation of the BCA Accreditation Scheme

## The purpose of this evaluation

The Ministry of Business, Innovation and Employment (MBIE) commissioned Litmus to evaluate the Building Consent Authority Accreditation Scheme (the scheme) to assess how well the scheme is being implemented and inform any improvements to the design of the scheme and its implementation.

## Evaluation audiences

The audiences for this evaluation are:

- The Building System Performance (BSP) branch which provides policy and technical advice on New Zealand's building system, rules, and standards, and implements building legislation and regulations to meet New Zealand's current and future needs.
- The Building System Assurance (BSA) team which works with International Accreditation New Zealand (IANZ) the accreditation body for the scheme, and monitors and supports the performance of BCAs.
- Other stakeholders who have an interest in this evaluation include IANZ, accredited organisations, building control officials, and other stakeholders in the building sector.

## The evaluation responded to the following key evaluation questions

1. Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?
2. How effectively is the scheme currently working to achieve its intended outcomes? In particular, does the current scheme provide assurance BCAs are performing effectively?
3. To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as the central regulator, to ensure BCAs' compliance with expectations of the scheme?

Appendix A contains a complete list of the evaluation sub-questions.



## Performance criteria for assessing the scheme

We have used the following criteria to assess how good the scheme is. The criteria for the design and implementation of the scheme are adapted from the Government's expectations of good regulatory practice.<sup>2</sup>

The criteria for the scheme outcomes are drawn from the intended outcomes of the scheme, as defined in the 2007 Cabinet paper. These criteria are not the same as specific objectives, goals or indicators, although there may be some overlap.

Performance criteria for the design and implementation of the scheme

The scheme:

- has clear objectives
- supports BCAs to comply with the Regulations
- is fair and equitable in how the Regulations respond to BCAs
- has flexible tools to assist compliance and manage poor performance
- produces predictable and consistent outcomes across BCAs
- is well aligned with supporting regulatory systems, i.e. the Licensed Building Practitioners Scheme and the Building (Product Certification) Regulations
- is consistent with relevant international jurisdictions
- produces intended outcomes
- has scope to evolve in response to changing circumstances and emerging building system trends.

## Qualitative evaluation of the scheme

We used semi-structured interviews to gather evidence from key stakeholders. We sought to understand their knowledge, perceptions and experiences of the scheme's design, implementation, and outcomes.

### We interviewed MBIE and other national-level stakeholders

We interviewed 13 MBIE and other national-level stakeholders to understand and assess the scheme's design, implementation, and outcomes at a systems level. We interviewed stakeholders from MBIE's BSP and BSA teams. We also interviewed IANZ assessors, relevant technical experts, national associations, and industry stakeholders.

### We interviewed stakeholders from accredited BCAs

We interviewed 19 stakeholders from seven accredited BCAs in Auckland, Waikato, and Canterbury. The purpose of regional interviews was to understand and assess the scheme's design, implementation, and outcomes at the accredited organisation level.

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<sup>2</sup> The Treasury. (2017). *Government expectations for good regulatory practice*. Wellington: Treasury. Retrieved from <https://treasury.govt.nz/sites/default/files/2015-09/good-reg-practice.pdf>

We interviewed stakeholders across three regions to understand the breadth of regional perspectives. Stakeholders included small and large organisations and those working in urban, rural, and semi-rural contexts. We included organisations that had both high and low consenting volumes and varying complexity of building consents.

The table below details the site selection and rationale for each location.

<b>Cluster Group</b>	<b>BCA location</b>	<b>Location type</b>	<b>The volume of consenting &amp; complexity of the build</b>
Auckland	Auckland City Council	Urban	High volume consenting (50%) and high complexity
Waikato	Hamilton City Council	Urban	Medium volume consenting and medium complexity
	Waitomo District Council	Provincial/rural	Low volume consenting and low complexity
	Waikato Regional Council	Provincial/rural	Low volume consenting and low complexity
Canterbury	Christchurch City Council	Urban	High volume consenting and medium to high complexity
	Selwyn District Council	Provincial/rural	Low volume consenting and low complexity
	Waimakariri District Council	Provincial/rural	Low volume consenting and low complexity

### **We interviewed designers and builders**

We interviewed 12 designers (architects and engineers) and builders in Auckland, Waikato, and Canterbury to identify their understanding of the scheme and how it affects them. The purpose of these interviews was to determine the impact of the scheme within the building system.

The table below summarises the number of interviewees per audience

<b>Stakeholder group</b>	<b>Number of stakeholders</b>
MBIE	7
IANZ	2
National associations and industry bodies	4
Building control officers	19
Designers (architects and engineers)	9
Builders	3
<b>Total</b>	<b>44</b>

Interviews were 60 minutes long and audio recorded. In a few cases, we conducted follow-up interviews with stakeholders to ensure we captured their full perspective of the scheme.

### **We reviewed key documents and data**

We reviewed key documents to understand the design features of the scheme. We also reviewed assessment data and survey data collected by IANZ and MBIE to assess the implementation of the scheme. Finally, we reviewed documents on relevant schemes in Canada, Australia, and the United Kingdom to compare the scheme to other jurisdictions.

### **Analysis, synthesis, and reporting**

We audio-recorded and transcribed all interviews with stakeholders' permission. We undertook a thematic analysis of the interview and document data. We held sensemaking workshops with MBIE, where we presented key themes, and workshop participants discussed the data and insights collected.

We used the performance criteria to assess the design, implementation and outcomes of the scheme against good regulatory practice guidelines. The report was then drafted and circulated for internal review before being finalised.

### **The report has some limitations**

The report mainly presents the views of national-level stakeholders and building control officers. We found that designers and builders have very little knowledge of the scheme. Where designers and builders made relevant comments on the scheme, we have included these in the report.

Due to travel restrictions resulting from COVID-19 that came into effect partway through fieldwork, we conducted most interviews by video conferencing or telephone. We had intended to observe an assessment as part of data collection. However, this was not feasible due to lockdown restrictions. This approach did not affect the quality of the evidence gathered through interviews.

# Background and context to the design of the scheme

## Historically, building system<sup>3</sup> failure has had a significant impact on New Zealand

The building sector provides an essential service for New Zealanders and is the fourth largest employer, with nearly 10 per cent of the workforce. In the year ending March 2017, the building sector contributed almost \$15 billion to the economy.<sup>4</sup>

The leaky building crisis in the late 1990s and early 2000s revealed systemic problems in the New Zealand building sector. Builders were using materials that were not fit for purpose and using new materials (such as monolithic cladding). Lower skilled labour was inappropriately used, especially while using new products. Also, the industry and regulators were adjusting to the implementation of the performance-based building code, and inconsistent inspections were carried out.<sup>5</sup> In 2008, Price Waterhouse Coopers estimated the cost of the crisis at \$11.3billion (in 2008 dollars).<sup>6</sup>

## Building Consent Authority Accreditation Scheme

The BCA accreditation scheme was part of reforms designed in 2004 to regulate and improve the building system

The Building Act 2004 is the primary legislation governing the building industry in New Zealand. It was introduced to improve control and enable better practices and performance in building design and construction, following failures in the building system, including the leaky building crisis. The three reform strands were:

1. better regulation of the consenting and inspection processes through a new Building Consent Authority Accreditation Scheme (2006)
2. improving skilled labour sector through the new Licensed Building Practitioners (LBP) Scheme (2007)
3. better regulation of acceptable products, through the new Building (Product Certification) Regulations (2008)

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<sup>3</sup> We refer to the building system as people and organisations who manufacture and supply building products, organisations and people who design, build and maintain commercial and residential buildings, and regulatory partners.

<sup>4</sup> MBIE. 2019. *Building system legislative reform: Discussion Paper*. Wellington: MBIE.

<sup>5</sup> New Zealand Law Commission. (2012). *Review of Joint and Several Liability*. Wellington: New Zealand Law Commission.

<sup>6</sup> Department of Building and Housing. (2009). *Weathertightness - Estimating the Cost*. Wellington: Price Waterhouse Coopers.

All three components were needed to achieve the outcomes anticipated by the Building Act reforms. Each is mutually dependent on the success of the other two parts.

The BCA Accreditation Scheme was introduced because there were no legislative or regulatory requirements for consenting organisations (usually city or district councils or private certifiers) to have documented policies, procedures, and systems to support the delivery of building control functions. Councils continued to carry liability claims for failed buildings. The scheme does not address liability within the building system.

## **The scheme design strengthened BCAs as gatekeepers of the building system**

Regulators considered the scheme an essential first step to better regulating the building system. The scheme design was intended to provide MBIE, as the national regulator, with the assurance that BCAs are regulating the building sector appropriately at a local level.

In 2006, the scheme's original intended outcomes were to<sup>7</sup>

- Improve consumer confidence in the sector
- Support national consistency in consent processing, inspection, and approval
- Provide quality assurance systems to ensure quality outcomes
- Provide for the technical competence of building consent authorities.

The scheme was designed to be flexible, performance-based, and outcomes focussed.<sup>8</sup> This approach aligned with the Building Code (2004). The scheme includes 19 regulations (Appendix C).

## **The scheme purpose is to ensure BCAs are qualified and able to assess building safety**

The scheme aims to ensure BCAs have policies, procedures and systems that are consistently and effectively implemented, to support them in delivering their building control function.<sup>9</sup>

BCAs assess whether proposed building work complies with the Building Code, issue building consents that allow building work to start, and assess whether completed building work complies with the relevant building consent.<sup>10</sup>

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<sup>7</sup> MBIE. (2016). *Building Consent Authority accreditation scheme review: Stakeholder feedback paper*. Wellington: Author.

<sup>8</sup> Ibid.

<sup>9</sup> MBIE. (2019). *Building system legislative reform: Discussion Paper*. Wellington: MBIE.

<sup>10</sup> MBIE. (2019). *Cabinet paper: Lifting the efficiency and quality of the building system: Overview*. Wellington: MBIE.

BCAs may administer the Building Code differently and have different processes and requirements. Multiple BCAs may be involved in a single build as the build may include products manufactured in one region and built in another area.

## **International Accreditation New Zealand (IANZ) assesses BCAs under the scheme**

BCA assessments usually occur every two years and involve a detailed document audit and on-site assessments. In cases where IANZ considers BCAs performance to be higher risk, IANZ may conduct assessments annually or more frequently. IANZ may also introduce a monitoring programme for BCAs with poorer performance. BCAs that are undergoing monitoring are still able to assess buildings and provide building consents.

IANZ assesses the level of risk based on various factors such as resourcing, leadership and engagement and the number and seriousness of incidents of non-compliance. Failure to meet important requirements, such as employing a quality manager, may result in ongoing monitoring of the BCA. Following assessment, BCAs are given a limited timeframe to implement recommended changes to reach compliance. In cases of small general non-compliances, BCAs may be able to make the required changes during the assessment.

Where a BCA does not meet the requirements of the scheme and is unable to make the required changes within the recommended timeframe, IANZ and MBIE can revoke or amend the scope of accreditation. To date, one BCA (Christchurch City Council) has had accreditation revoked and has successfully reapplied and gained accreditation.

## **Almost all BCAs are city, regional or district councils**

In 2020 there are:

- sixty-nine accredited and registered BCAs that are part of a territorial or regional authority
- five private organisations that have accreditation
- two applications for accreditation from private organisations under consideration.

BCAs characteristics vary across New Zealand from very small to very large organisations, with varying complexity and volume of consents. Auckland is the largest BCA and processes 50 per cent of all consent applications in New Zealand.

The Chatham Islands is the only territorial or regional authority in New Zealand that does not manage its building consents. Building consent processing for the Chatham Islands is contracted out to Wellington City Council (and Environment Canterbury for large dams).

## Reviews of the Scheme and the building system

### In 2016, MBIE reviewed the scheme

In 2016 MBIE reviewed the accreditation scheme with feedback from BCAs, IANZ and other stakeholders.

Key changes to the scheme were:

- Clarifying the purpose and set objectives for the scheme. Policies, procedures and systems must be implemented consistently and effectively so that the requirement is obvious to all stakeholders – Regulation 5c.
- Identifying where a BCA must notify MBIE and IANZ of changes in their organisation or key personnel, allowing for better support for BCAs facing changes that could affect their ability to function – Regulation 6A.
- Requiring Building Control Officers to have or be working to an appropriate specified qualification – Regulation 18.
- Moving to a fee-for-service regime for accreditation assessments – Regulation 19
- Improving how non-compliances are reported. IANZ previously reported findings as Corrective Action Requests. Now, these findings are either reported as general non-compliances or serious non-compliances.

Following the review, MBIE set process-level outcomes, and these were articulated to the building sector as:

- appropriate, documented and implemented policies, procedures, and systems
- appropriate, documented and implemented effective quality assurance systems
- sufficient skills and resources to undertake their statutory functions
- employees and contractors with appropriate building control competencies and qualifications

The review had strong engagement with and feedback from BCAs. There was positive feedback on the working and clarification changes made through the review process.

### The building system is under review

In 2019, the Government recognised that ongoing systemic problems such as "low productivity, inefficient practices and processes, skills and labour shortages, financial vulnerability, and poor health and safety practices" remain challenges.<sup>11</sup> A recent survey of new homeowners found that 80 per cent had to get tradespeople back to fix defects after they had moved in, with an estimated cost of \$220 million a year due to rework.<sup>12</sup>

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<sup>11</sup> MBIE. (2019). *Cabinet paper: Lifting the efficiency and quality of the building system: Overview*. Wellington: MBIE.

<sup>12</sup> Ibid.

In 2019, MBIE initiated the Building System Legislative Reform Programme (the reform programme). The reform programme identified and seeks to address long-standing challenges in the building sector, including<sup>13</sup>

- unclear roles and responsibilities
- information not available when needed
- difficulty holding people accountable for poor quality work

The reform programme focusses on lifting efficiency and quality of the building system and providing fairer outcomes. The reforms aim to improve quality and to get it right the first time.<sup>14</sup>

The initial reforms under phase one are currently before Parliament. Once in force, these changes will:<sup>15</sup>

- introduce minimum information requirements about building products
- introduce a specialist framework for modern methods of construction (MMC)
- strengthen the product certification framework (CodeMark)
- change offences and penalties provisions to increase the maximum penalties for individuals and organisations
- widen the use of the building levy to improve the building sector performance
- extend the time to lay charges and investigate potential offences.

The second phase of the reform will identify ways to strengthen the LBP scheme and better regulate engineers.

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<sup>13</sup> MBIE. (2019). *Building system legislative reform: Discussion Paper*. Wellington: MBIE.

<sup>14</sup> MBIE. (2019). *Cabinet paper*

<sup>15</sup> MBIE. (2020). Fact sheet 4: Offences and penalties, building levy and time to lay charges. Wellington: MBIE. Retrieved from <https://www.building.govt.nz/assets/Uploads/getting-started/building-law-reforms-factsheet-4-offences-and-penalties-building-levy-lay-charges.pdf>



A woven fan with a wooden handle, set against a red background. The fan is made of light-colored material, possibly bamboo or straw, and has a dark border. The text "Section 1: Scheme design and implementation" is overlaid on the fan.

# Section 1: Scheme design and implementation

# Section 1: Scheme design and implementation

This section assesses the design and implementation of the scheme. It provides evidence to respond to evaluation question one.

- Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?

This section assesses whether the scheme:

- Is clear and consistent
- supports BCAs to comply with the Regulations
- is fair and equitable in how the Regulations respond to BCAs
- is well aligned with supporting regulatory systems, i.e. the Licensed Building Practitioners Scheme and the Building (Product Certification) Regulations
- is consistent with relevant international jurisdictions

# The scheme is clear and has become more process focussed

BCAs want to achieve good building outcomes in their communities and do not want poor quality buildings or legal cases resulting from their actions. They also want to play a role in preventing any future systemic building failure, such as the leaky home crisis in the early 2000s.

'The people in BCAs are passionate and want to do it right. Most BCAs hate the idea of their inspectors having to go into court and explaining their actions.' (National stakeholder)

Stakeholders, therefore, think it has been essential to have an accreditation scheme that ensures BCAs have documented policies, procedures, and systems, and consistently and effectively implement these, to perform its building control functions.

'Before the scheme, it was pretty bad. Everyone had different ways of doing things. Bringing in the regulations has improved things.' (BCA)

However, stakeholders believe that the scheme is nearly 15 years old, and it is time to take stock and reflect on its design, achievements, and fit for purpose, given our evolving building system.

## The scheme has become more transparent and more consistent over time

The 2017 changes to the Regulations have made the scheme's purpose and objectives more evident. BCAs value the addition of process-focused goals that are more aligned with the Regulation's accreditation requirements. The roles and responsibilities of all stakeholders are clear within the scheme.

BCAs also value the accompanying guidance and checklists that provide more clarity and specificity about what the Regulations require of them. They believe the definitions of non-compliance with accreditation requirements are contributing to a more consistent and transparent assessment approach.

'The guidance documents that came out three years ago have been really helpful. It's great for me in my role, knowing that we've got a good standardised approach.' (BCA)

## **Scheme transparency and consistency has come at a cost**

### **Assessments have become very detailed**

A consequence of the detailed guidance is that accreditation has become very process focussed since the review. BCA stakeholders consider the accreditation assessment concentrates on ticking boxes, does not sufficiently consider the different levels of risk across BCA decision-making, and that non-compliances are increasingly 'nit-picky'.

'Recently it feels like really nit-picky – the last two audits felt like we were poles apart.' (BCA)

'They are getting really picky about things they wouldn't have got picky over before – like a typo. They will pull that up as a non-compliance. We are having to keep a tight eye on things and watch everyone's spelling.' (BCA)

IANZ stakeholders note the requirements for accreditation have become more detailed. IANZ consider this the result of greater consistency in how the regulations are being applied.

### **BCAs are finding assessments less valuable**

BCAs also note the assessment style has limited more informal feedback and flexibility to make immediate changes during the accreditation. While this approach increases consistency in the way BCAs are assessed, it contributes to BCAs seeing less value in the assessment process. BCAs consider IANZ could add value by updating BCAs of emerging issues and ways to resolve them throughout the assessment rounds.

In 2019, most BCAs thought MBIE's role as observers attending accreditation assessments were helpful or very helpful.<sup>16</sup> BCAs valued MBIE's role more when they helped them understand and interpret requirements.

### **BCAs are potentially taking their eyes off good consenting decisions**

Some stakeholders expressed that the move to a more prescriptive and process-focused scheme has diminished personal judgement, ownership, flexibility, and innovation. What is more, some BCAs are becoming heavily focussed on satisfying process requirements and wanting more guidance (e.g. on how to interpret the scheme's competency and training requirements) rather than the quality of their consenting decisions.

'When someone arrives with a book, and they've got 400 checkpoints on processes, then we have gone just a little too far. We've lost sight of the end game. So, I think this is an opportune time to look closely at it.' (BCA).

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<sup>16</sup> MBIE. (2019). *Post-accreditation survey of Building Consent Authorities*. Unpublished document.

# Complying with the Regulations has become more challenging for BCAs recently

BCAs take pride in their work and want to establish and follow good policies, processes, and systems. However, due to moving to a process-focused scheme, the workloads and costs of compliance are increasing.

## Time and cost involved with accreditation is increasing

Since 2017, IANZ charges BCAs a fee-for-service for accreditation assessments. BCAs are provided with a cost estimate before the assessment based on IANZ assessment of the level of work required. Before 2017, accreditation fees were based on BCA size and consenting capacity.

BCA stakeholders consider assessment processes and the cost of accreditation has become more time-intensive and costly for BCAs. Detailed guidelines and checklists that accompanied the amended Regulations have meant that BCAs are spending more time and resources on accreditation than they did previously.

The move from the fixed fee framework to the fee for service framework in 2017 has contributed to higher actual versus estimated costs for most BCAs (see Appendix F). This variance is due to the rising number of general non-compliances and therefore IANZ spending more time on preparation and inspection.

'We don't disagree with original intentions, but it has gone too far and not adding the extra value. We don't see any extra value in the additional work. I think everyone in our cluster is in the same boat.' (BCA)

'When we get picked up on these things [typos etc.], then we must go through the continuous improvement scenario, and it brings up a whole extra workload for it. Before they would say just fix that. But now things are getting over the top.' (BCA)

## Retaining and training staff are ongoing challenges for BCAs

The building system faces workforce challenges, and BCAs are no exception. Lack of resource is an ongoing concern for most BCAs as they struggle to attract and retain suitably competent and qualified staff. Some BCAs have lost staff or have undergone restructuring. The loss of staff has resulted in some procedures not being consistently or fully implemented.

BCAs report that training is a long-term investment for their organisations. The cost can potentially be up to \$16,000 per person, and staff may not be eligible for fees-free study.

Some stakeholders also noted a shortage of specialised training schemes to become Building Consent Officers (BCOs).

Furthermore, BCAs consider that the qualification requirements do not automatically lead to competent staff, and BCOs usually need to undertake considerable on the job training to be competent inspectors. Once BCAs have invested in training, they risk losing staff to another BCA, Kāinga Ora, or the private sector.

'It's a lot of investment to get people up to speed. We can no longer pull a builder off a site who has been actively working in commercial buildings for the last 20 years and put them in a building consent role. We've got to spend another 16k sending them to university or polytech to come up to speed. and they probably know a lot more than someone with a theoretical qualification.' (BCA)

'Regulation 18 means you need a formal qualification which bottlenecks your employment pool. There is no formal provider to the qualification. They then need to put them through the training at the cost of the BCA. BCAs try to hold that employee under contract as training them takes time and resource.' (National stakeholder)

## **Clusters enable BCAs to be strategic with resources and gain efficiencies**

Forming clusters with other territorial authorities has enabled BCAs in some instances to be strategic about managing resources. Smaller BCAs find being part of a cluster particularly valuable when a key staff member has resigned and not replaced. BCAs often engage staff from other BCAs to consent buildings outside of their usual scope of expertise.

However, BCAs are constrained by the influences of local Government who are accountable to ratepayers. For this reason, BCAs maybe are reluctant to pass work to other BCAs, employ contractors or pay higher wages to retain staff.

'Regulation 12 allows you to engage contractors. At the same time, BCAs work under budget constraints. You already have staff, but you need to train the staff with senior expertise who you need to perform the function. It is not their fault. They are doing everything they can, but other things don't allow them—it's a lack of qualified people.' (BCA)

'We get a lot of advantage of being in the cluster than the others. If we have a staff member leave, for example, this has a huge impact, and the other BCAs can help us out'. (BCA)

Clusters also improve efficiency amongst BCAs by allowing them to share quality assurance manuals and other resources across the group. This saves BCAs resources and contributes to greater consistency across the cluster.

Clusters also share information during accreditation assessments. Stakeholders report this is a valuable process as they can reduce the number of non-compliances throughout the cluster by sharing IANZ reports. This improves the quality of BCA systems and may reduce the cost of the IANZ audit for BCAs who are last in the cluster group to be assessed.

'I guess one of the advantages of a cluster with the accreditation scheme, is we all share our audits. In theory, last time we got audited, it proved its worth. I think in the last round of audits, the first of our BCA cluster to be audited had 12 general non-compliances (GNCs). We were number six to get audited, and we got four GNCs, and the last BCA to be audited had one GNC.' (BCA)

## **BCAs further identified opportunities to ease the cost burden**

BCAs identified the following ways to reduce the burden on their ability to maintain accreditation:

- less frequent audits for better performing BCAs. The current assessment regime is every two years. However, the Regulations allow for less regular assessments.
- support BCAs, notably smaller BCAs to transition to digital services to reduce the number of days IANZ spends on-site
- introduce a self-assessment component to minimise costs
- reducing the level of assessments for BCAs who share a standard quality assurance manual, as this should significantly reduce the cost and time IANZ takes to conduct audits across the cluster.

# The scheme is fair but is not easily adaptable for diverse BCAs

All BCAs, regardless of size, the volume of consenting and complexity of building environment, are treated equally by the Regulations. It universally expects all BCAs to have policies, processes, and systems and to meet the same standards. This approach ensures all BCAs meet the requirements of the scheme.

The scheme design did not anticipate nearly all councils would become BCAs. It expected that councils who were unable or unwilling to become accredited would rely on other BCAs to issue building consents within their jurisdictions. The higher number of smaller councils becoming accredited may have resulted in a higher administrative burden for smaller BCAs. Small BCAs or those unable to meet the scheme requirements can transfer their function to another BCA.

Stakeholders from smaller BCAs consider the scheme is designed for larger BCAs. Most stakeholders believe larger BCAs are more able to meet the demands of the scheme.

## **Smaller BCAs respond to a lower volume of consents with lower levels of complexity**

Smaller BCAs in provincial and rural New Zealand largely manage consents for single-storey dwellings and small farming structures. Therefore, their level of risk is lower than larger BCAs in metropolitan areas that are assessing more complicated builds.

Smaller BCAs, therefore, find it harder to maintain skills to assess complex buildings because they do not frequently encounter these building types. These BCAs want local autonomy to manage their consenting functions, and often do not have the resources to procure contractors for this specialised work.

## **Smaller BCAs have fewer resources to comply with the scheme**

Smaller BCAs have fewer people and resources to assign to maintaining the scheme and meeting accreditation requirements. They are more likely to comment on the additional time they spend complying with the 2017 changes to the Regulations.

'Four years ago [before scheme changes], I spent about three days a month on that sort of thing, now it's a three-days a week thing for me. Certainly, it added a lot more work for everyone.' (Smaller BCA)

Budget constraints across smaller BCAs limit their ability to make significant administrative changes to their building control functions, such as transferring to a new IT system, which would make compliance easier.



## **The fee-for-service fee structure has a greater impact on smaller BCAs**

The change from the fixed-fee structure (based on consenting volumes) to the fee-for-service fee structure in July 2017 meant smaller BCAs paid significantly more than they did under the previous fee regime. These stakeholders believe a fairer fee structure would encompass both the volume and complexity of consents and performance under the scheme.

'We went from \$11,000 to \$23,000 (per assessment). That's a huge amount of money for a small BCA. Before we paid a lower fee because we processed a low number of consents. The change has had a negative impact on both our customers and us. Under this new regime, a mid-size BCA's fees would stay very similar or the same.' (Smaller BCA)

BCA accreditation fees were changed to better align with public principles for fee setting.<sup>17</sup> The change also recognised that larger BCAs subsidised small BCAs and was introduced as a fairer way to manage accreditation fees across BCAs. The current fee structure is also intended to provide an incentive for BCAs to improve their performance and thus decrease the number of days IANZ spends during the accreditation assessment.

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<sup>17</sup> MBIE. (2016). *Building Consent Authority accreditation scheme review: Stakeholder feedback paper*. Wellington: MBIE.

# The scheme relies on the supporting regulatory systems to function effectively

The Building Act 2004 was introduced to improve control and enable better practices and performance in building design and construction. The Building Act included three strands to address failures in the building system: better consenting and inspection processes, improved skilled labour and better and more reliable building products. These three schemes were designed to work together. However, stakeholders noted the three reform schemes could be better aligned.

## The LBP scheme has fewer and less rigorous checks than the BCA scheme

BCA stakeholders consider the LBP is less well monitored and has lower requirements than the BCA scheme. BCAs argue that the LBP scheme needs stronger oversight to improve the quality and skills of builders. These stakeholders consider that lifting the quality of builders and designers overall will improve the quality of buildings and enhance the speed BCAs process applications, and grant consents as there will be fewer requests for further information.

'I think the biggest problem is the construction sector hasn't caught up. We are putting 80% of applications on hold. The applicants are not happy with that. We are rejecting applications. To make easier, the construction sector needs to be brought up to speed on quality application.' (BCA)

Changes to the LBP scheme under the building system review programme will affect BCAs. The proposed changes will increase the level of supervision LBPs are required to undertake and will look at regulating engineers.<sup>18</sup>

## Some BCAs have limited confidence assessing buildings constructed with modern methods of construction

Some BCAs stakeholders report having limited confidence in assessing modern methods of construction and new and innovative designs. These stakeholders consider the technical expertise required in the scheme and guidance from MBIE is insufficient to meet the needs in this changing context.

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<sup>18</sup> MBIE. (n.d.). *Building Law reform programme: Background*. [website]. Retrieved from <https://www.building.govt.nz/getting-started/building-law-reforms/background-to-the-building-law-reforms/>

Because we are a free open enterprise product that are shipped into the country can be used. The BCAs don't know how to test the products which cause issues down the road. There needs to be legislation around this issue. (BCA)

The reform programme to lift the efficiency and quality of the building system is establishing a manufacturer certification scheme for Modern Methods of Construction to improve confidence and certainty in using new building products and methods.

During the consultation phase for the law reform, most BCAs who submitted on the proposal thought changes to the product certification scheme would improve certainty and confidence for BCAs.<sup>19</sup> The proposed changes will benefit BCAs and the scheme by providing greater clarity and certainty on the quality of these buildings.

### **Limited sector awareness and support restricts the scheme's effectiveness**

The wider building sector still has a moderate appreciation of the value of quality assurance processes. Overall, the sector has a low understanding of the BCA's role and its importance as a quality assurance actor within the system. Builders and designers have very low awareness of the scheme or understand how it also could contribute to their behaviour. Instead, builders and designers often see BCAs as a roadblock to the consenting process. BCAs think sector stakeholders do not know or understand why their applications do not receive consent. BCAs also think builders and designers sometimes use the BCA as a 'vetting process' to ensure the building is well-designed.

The wider public, such as homeowners involved in building work, are likely to be unaware of the scheme or the role that BCAs play in providing quality assurance. Due to low public awareness of BCAs role in the building process, BCAs are often blamed for delays in building consents.

'There is not a lot of sector buy-in for why these regulations are important. It's still about changing behaviour and attitudes. Unfortunately, in the design and construction sector, there is a lack of understanding of the Building Code and why BCA exists.' (National stakeholder)

The scheme's impact may be limited in future reforms without this wider awareness of and support for the quality assurance process.

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<sup>19</sup> MBIE. 2019. Building System Legislative Reform Programme: Summary of submissions. Retrieved from <https://www.mbie.govt.nz/dmsdocument/6590-building-system-legislative-reform-programme-summary-of-submissions>

# The scheme can learn from other jurisdictions

In comparable jurisdictions like Canada, Australia, and the United Kingdom, regional or local authorities and jurisdictions grant building consent. Private organisations may also be registered to grant building consent. A building consent is granted when the building design, construction and building meet the compliance requirements.

## **Other jurisdictions rely on building consent officers' qualifications and registration with oversight bodies**

Similar to the New Zealand scheme, internationally, regional or local authorities or private organisations must employ qualified surveyors or inspectors. Oversight organisations provide assurance that surveyors or inspectors are qualified.

In Victoria (Australia), building surveyors must be registered. Surveyors must have relevant qualifications and experiences as well as references and a police check. The Victorian Building Authority manages the registration and specifies the qualification type and experience required for registration.

Similarly, in Canada, building officials must meet mandatory qualification requirements to practice and must only work within the scope of their qualifications. Provincial and local governments must only hire building officials who meet the qualification requirements.

In British Columbia (Canada), building officials must be a member of Building Officials' Association of British Columbia (BOABC) or meet the qualification exemptions. From February 2021, in addition to registration, building officials will need to pass exams to demonstrate they are competent to the level of their responsibility, submit an annual report, and complete annual continuing professional development. Registered architects and registered and licensed engineers are exempt from the building code qualification requirements.

In the United Kingdom, independent approved inspectors must apply and register with CICAIR Limited, the body designated to provide approval for inspectors. Inspectors seeking registration must provide details of staff and individual qualifications and experience. Approved inspectors must have insurance.

In international jurisdictions, the qualification needed to be a building surveyor may be specified by the registering organisation. For example, in Victoria, building surveyors must have a bachelor's degree, advanced diploma or diploma in building surveying.

In the United Kingdom, registration of approved inspectors expires after five years or maybe withdrawn by the approval body. In Victoria and British Columbia, building surveyors must maintain registration annually.

## **Other jurisdictions can register building surveyors to different risk levels**

Some international jurisdictions register building surveyors or building consent officers to different levels of risk. People with more experience and higher or more specific qualifications can register to assess higher-risk buildings. Those with less experience or fewer qualifications may still register but will have limited ability to assess buildings. In New Zealand, BCOs can complete two diplomas that cover different building scope.

In British Columbia, a building official can be qualified to one of three levels. Each level represents greater complexity in building construction and greater expertise on the part of the building official:

- Level 1: One- and two-family dwellings
- Level 2: Other buildings, including some small commercial buildings.
- Level 3: Larger or more complex buildings, such as hospitals, schools and high-rise condo buildings.<sup>20</sup>

In Victoria (Australia), building surveyors may be registered as unlimited (qualified to assess any type of building) or limited (qualified to assess buildings up to three storeys in height with a maximum floor area of 2000 square metres).

## **The scheme has limited ability to adopt international approaches**

Like international jurisdictions, Regulation 18 of the scheme requires BCOs have a recognised New Zealand based qualification. However, workforce challenges mean BCOs are likely to be completing qualifications while working for a BCA.

The above international jurisdictions focus on the individual, not the institution granting building consent. In contrast, the scheme requires BCAs as an organisation to meet the accreditation requirement. The organisational approach may increase the 'tick box' and bureaucratic requirements across a broader group. However, this approach has likely contributed to improving the safety systems and culture across BCAs.

This approach also means the consenting risks are carried by the BCA, not individuals. Changing this to focus on the individual would likely have a significant impact on BCOs.

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<sup>20</sup> Office of Housing and Construction Standards. (2015). *Understanding B.C.'s Building Regulatory System*. Retrieved from [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/construction-industry/building-codes-and-standards/guides/buildingactguide\\_sectiona1\\_june2015\\_web.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/construction-industry/building-codes-and-standards/guides/buildingactguide_sectiona1_june2015_web.pdf)

A woven fan with a wooden handle, set against a red background. The fan is made of light-colored woven material, possibly bamboo or reed, and has a dark border. The handle is made of wood and is attached to the center of the fan. The fan is positioned diagonally, with the handle pointing towards the left and the fan head pointing towards the right.

Section 2:  
Scheme outcomes

## Section 2: Scheme outcomes

This section describes the outcomes of the scheme. It provides evidence to respond to evaluation question two:

- How effectively is the scheme currently working to achieve its intended outcomes? In particular, does the current scheme provide assurance BCAs are performing effectively?

This section aligns with the best regulatory practice criteria relating to outcomes. We assessed the extent to which the scheme:

- contributes to the intended outcomes
- produces predictable and consistent outcomes across BCAs
- has scope to evolve in response to changing circumstances and emerging building system trends.

# Outcomes of the BCA accreditation scheme

## The scheme has made steady progress in achieving process-level outcomes and contributing to system-level outcomes

The scheme has made steady progress towards achieving the process-level outcomes expected of BCAs following the 2017 review:

- documented and effective policies, procedures, and systems
- sufficient skills and resources to undertake statutory functions
- documented and effective quality control systems
- appropriate building control qualifications.

The scheme has also contributed to most of the intended outcomes of the scheme outlined in early Cabinet papers:

- support national consistency in consent processing, inspection, and approval
- provide quality assurance systems to ensure quality outcomes
- provide for the technical competence of building consent authorities
- improve consumer confidence in the sector.

'We wrote the scheme to have confidence in the consenting arena, and in general, we have achieved this.' (BCA)

In summary, the scheme has contributed to the following outcomes:

### **Improved MBIE's regulatory stewardship of the building consent function**

The scheme has supported MBIE's regulatory stewardship role of building consenting by monitoring the performance of BCAs. Before the scheme, MBIE's predecessor the Department of Building and Housing may not have known when local authorities were struggling or issuing consents without safe processes. MBIE now have a better understanding of BCAs' performance.

### **Improved status and increased resourcing of building consent authorities**

The scheme has raised the importance of territorial authorities' building control functions amongst senior leaders and many local government politicians. This leadership emphasis has resulted in increased resourcing of this critical function in most BCAs. The 2017 amendments which made sure senior leaders are told of non-compliances contributed to this outcome. This information helped show leaders the gap between the expected and the current state of their quality systems. However, a handful of BCAs do not have strong senior-level buy-in.



'BCA requirements are the best thing to have ever happened. Without it, we would be in trouble. In the past, the building control team did not have the resources that were required. There were low levels of expertise amongst those who were working on the assessment. It is much higher now, and the level of attention from councils on their building consent teams has raised considerably.' (BCA)

### **Improved quality management amongst BCAs**

In many BCAs, the scheme has contributed to formally analysing and enhancing their building control performance. These territorial authorities have a strong focus on quality. Regulation 17, which ensures that BCAs have a system that supports quality and continuous improvement in its management and operation, is contributing to this outcome. However, in many BCAs, it is still a rules-based quality environment rather than a true culture of quality improvement.

'It is making an amazing difference in the quality of what comes out of a BCA. Issuing building consent is meaningful, and code compliance that is meaningful. There is a massive improvement from ten years ago the difference in BCA and the records are useful. (National stakeholder)

### **Ensured BCAs have more robust and consistent policies, procedures, and systems**

In general, most BCAs have documented policies, procedures, and systems to effectively undertake their building control function, as evidenced by the low numbers of serious non-compliances. Detailed guidance and checklists have also contributed to better documents and more effective quality control systems. However, as mentioned earlier, these positive process outcomes do not necessarily lead to better building outcomes.

'A lot more consistency in systems and processes is in place now. Prior to the Regulations, we wouldn't have had that.' (BCA)

### **Increased the number of skilled and competent staff undertaking building control functions**

The scheme has contributed to most BCAs being sufficiently resourced and staffed to undertake their building control functions. The clarification of what a technical job is in Regulation 18 has resulted in more staff and contractors holding or studying towards an appropriate technical qualification. However, as discussed earlier, maintaining these outcomes is compromised by wider workforce challenges and influences of local Government which may be unwilling to engage contractors or pay higher wages to retain staff. Staff turnover also means BCAs do not always follow documented policies, procedures, and systems.

'BCAs have become more professional. There is more recognition of the skills involved, and you need skilled expertise. And managers in the councils have taken more attention to it.' (National stakeholder)

### **Potentially improved consumer confidence**

Overall, it is difficult to conclude as to whether the scheme has improved consumer confidence. A designer or builder mainly manages the consenting process, and designers and builders have limited knowledge of the scheme.

### **The scheme has had some unintended outcomes**

Unless regional or territorial authorities choose to transfer their functions, they are required to adopt the scheme. Consequently, when the scheme was implemented almost all regional and territorial authorities adopted the scheme.

The greater number of local and regional councils who became BCAs may have contributed to higher than anticipated administrative work for both MBIE and BCAs. However, BCA and MBIE stakeholders identified benefits for regional and territorial authorities being BCAs, particularly income benefits for councils.

In increasing consistency through guidance and checklists, the scheme has become increasingly process focussed and detailed. This has unintentionally increased BCAs' workload and costs.

Smaller BCAs have been more significantly negatively affected by the changes to the regulations in 2017, including in higher accreditation fees and increased workload needed to achieve accreditation. The one-size-fits-all approach does not work as well for these small BCAs.

# Many BCAs are still not fully compliant with the scheme

In 2020 IANZ noted<sup>21</sup> that while most BCAs have good processes in place, a significant number of organisations have not developed policies, procedures and systems that fully meet the requirements of the MBIE's guidance and checklists and the Regulations.

The report also noted that many accredited organisations are 'struggling with processing requirements', many are not 'considering the appropriateness of proposed specified systems, performance standards, and inspection, maintenance, and reporting requirements.' IANZ recommended that guidance and training in these areas would assist accredited organisations in improving their performance.

While workforce issues are strong contributors, senior managers in some BCAs do not fully understand the accreditation requirements or resource their BCAs to be compliant. This is evidenced by not fully resourcing teams, not supporting contractors, not supporting quality improvement programmes and not employing skilled quality assurance managers. A directive at many BCAs to provide "good" customer service is also detracting from BCAs meeting their regulatory functions.

## The number of general non-compliances is rising, while serious non-compliances are falling

When the scheme regulations changed in 2017 MBIE and IANZ expected BCAs' compliance with the Regulations to reduce and then improve again as organisations become more familiar with the new requirements.

Between July 2017 and June 2019, IANZ assessed 69 BCAs and five private organisations. These were the first round of assessments since the amended Regulations took effect. Most non-compliances related to BCAs' core functions of receiving, processing, and certifying (Regulation 7). Between July 2019 and May 2020, IANZ assessed 44 BCAs and five private organisations, and 42 of these organisations had been assessed in the previous period.

The number of general non-compliances<sup>22</sup> across these organisations had increased from 569 to 625. Thirteen organisations each had more than 20 general non-compliances, of which four organisations had more than 30 general-non-compliances.

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<sup>21</sup> IANZ. (2020). *Annual Report and Fee Estimate to MBIE: Reporting period July 2019 to May 2020*. Unpublished report.

<sup>22</sup> A general non-compliance is where an accredited organisation fails to implement a policy, procedure, or system consistently and effectively (or part thereof) required by the regulations.

The total number of serious non-compliances<sup>23</sup> across all organisations had reduced from 20 to five. These serious non-compliances were concentrated in a few organisations in both assessment rounds.<sup>24</sup>

## **Good performance within the scheme is not well defined**

While IANZ assesses BCAs level of concern based on numerous factors, many BCAs describe good performance to be no serious non-compliances and few or no general non-compliances. Some stakeholders consider this measure is simplistic because it does not recognise different levels of risk within different non-compliances. Some general non-compliances will have a much lower risk of building safety and quality than others. However, the scheme does not have well-defined performance criteria for BCAs.

MBIE identifies poor performance to include serious and systemic non-compliance, widespread failure, governance issues, and significant under-resourcing.<sup>25</sup> In contrast, high performance is when BCAs have no or few issues that are quickly resolved.

The scheme has allowances to introduce less frequent assessments for BCAs with a strong performance track record. However, currently, all BCAs are on a two-year or more frequent assessment cycle.

Some stakeholders are questioning why BCAs have not been able to reduce the frequency of assessments. They argue that the scheme could better define what BCAs need to achieve to move to a three-year or longer assessment cycle. This approach would reward BCAs who are performing strongly and provide an incentive for other BCAs to improve their systems.

The scheme has just completed the first round of assessments after the 2016-17 review. As the next round of assessments begins, higher-performing BCAs may move to a less frequent assessment cycle.

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<sup>23</sup> A serious non-compliance is where one or more of the minimum policies, procedures and systems required by the Building (Accreditation of Building Consent Authorities) Regulations 2006 (the Regulations) is absent (and the function that requires it has not been formally transferred) or not appropriate for purpose.

<sup>24</sup> Appendix E lists the total number of serious and general non-compliances for accredited organisations.

<sup>25</sup> Building Performance: MBIE. (n.d.). *BCA/TA Compliance Strategy*. Wellington: MBIE.

# The scheme does not always deliver predictable and consistent outcomes

The scheme design assumes that when BCAs have processes, procedures, and systems in place and these are consistently applied, the result will be good building outcomes. However, factors outside of the scheme, such as leadership or political pressure, may undermine good decisions and building outcomes.

‘Assessment results do not provide any evidence of a link between the scheme’s requirement for BCAs to have a quality assurance system, making quality consent decisions and quality buildings. It is possible to have a Building Code compliant building that is of poor quality, depending on how quality is defined. In addition, the Code compliance and quality of buildings is not monitored after they have been built.’  
(Building Consent Authority accreditation scheme review 2016)

During accreditation assessments, assessors do not examine every consent issued by a BCA. A randomly selected sample of consent documents is assessed to identify the extent the BCA is following the required process.

This approach assumes that systemic failures in the BCAs processes and systems will be identified in these assessments. However, the scheme is unable to prevent failures that occur when BCAs chose not to follow accredited processes and systems unless these consents are part of the assessment sample.

The recent Bella Vista report demonstrated that the accreditation scheme assessment could not prevent process failures in issuing building consent when a BCAs deviate significantly from their accredited policies and procedures. Tauranga City Council was accredited at the time of the Bella Vista event in 2017. However, none of the Bella Vista consent files were reviewed as part of either the January 2016 or September 2017 assessments because they were not captured within the samples examined at that time. Bella Vista was found to have failed because the proper processes were not followed, and the processes were undermined by leadership.<sup>26</sup>

Accreditation assessments do not evaluate the performance of individual staff and are not comprehensive audits involving a detailed examination of all aspects of a BCA’s building control functions. The scheme also does not assess whether BCAs are making proper processing and inspection decisions and sound decisions when issuing code compliance certificates or notices to fix.

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<sup>26</sup> MBIE. (2019). *Review of Tauranga City Council Performance of statutory functions under the Building Act 2004 with respect to the Bella Vista development*. Wellington: MBIE. Retrieved from <https://www.building.govt.nz/assets/Uploads/building-officials/technical-review/mbie-review-of-tauranga-city-council.pdf>

This gap in the building regulatory system has become more evident due to the construction boom, workforce shortages, council restructuring and staff losses, and pressure on many BCAs to provide good customer service at the expense of performing their building control functions.

## **The scheme has a limited role in assessing the quality of decisions**

The scheme assesses building code compliance. The original intent of the scheme was to ensure code compliance to improve the quality of buildings in New Zealand.

To some extent, IANZ considers the quality of building outcomes when assessing the sample of consent files. To ensure more predictable and consistent outcomes, some stakeholders consider that the scheme should also look at the quality of BCAs' decisions when performing their building control functions.

This external assurance could be like MBIE's technical reviews on how councils undertake some of their territorial authority responsibilities under the Building Act 2004. These reviews provide an opportunity to observe and assess the quality of critical decisions made by councils. MBIE also notes there is often a correlation between how territorial authorities perform under the Building Act 2004 and how BCAs perform under the scheme, which suggests performance issues are more systemic.

'This is something we are very conscious of because we do technical reviews for the territorial authorities. No one is looking at the decisions at the moment. You can go through a quasi-process if needed. It's not provided in the scheme to look at the outcome of those consents.' (National stakeholder)

# Section 3: Scheme levers and tools



# The scheme has insufficient tools to assist compliance and manage performance

This section responds to evaluation questions three:

- To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as the central regulator, to ensure BCAs' compliance with expectations of the scheme?

The scheme has limited levers to support BCAs' compliance with the Regulations and manage poor performing accredited organisations. As discussed, the scheme can revoke or amend the scope of accreditation. However, to date only one BCA has had accreditation revoked, and none have had the scope of their accreditation amended.

'You have the atomic bomb and nothing in between.' (National stakeholder)

## The building system needs well-performing BCAs

Many national stakeholders consider it is not in the building system's interests to stop an accredited organisation from issuing building consents. They believe the scheme should be enabled to provide a greater range of tools to assist BCAs in meeting the assessment requirements, such as training and more guidance.

These stakeholders also consider the scheme needs more levers to manage organisations who consistently perform poorly. Currently, the accreditation body cannot suspend a BCA's accreditation or partially limit a BCA's ability to perform its building control function (which links with registration, not accreditation). Stakeholders note that for other schemes, regulators and accreditation bodies usually have the power to suspend or limit accreditation if an organisation does not meet the standards.

'At the end of the day we should be supporting BCAs to make sure buildings are safe, warm, and dry and people using them now and in future are protected, and owners are not going to lose their investments. We should provide more carrots and resources to help them achieve, rather than punishing them and threatening them by saying they won't be able to issue building consents.' (National stakeholder)

## Revoking accreditation is the last resort as it has broad ramifications

The scheme allows for IANZ to revoke accreditation where an accredited organisation fails to provide evidence that its policies, procedures, and systems are appropriate for the purpose, and are consistently and effectively implemented at the time of an accreditation



assessment. However, due to the high-stakes nature of revoking accreditation, it is seen as the last resort.

The process for regaining accreditation and registration is also resource-intensive. The organisation that wishes to restore accreditation and registration must follow the process for applying to become an accredited organisation for the first time.

In the 14-year history of the scheme, only Christchurch City Council has had its accreditation revoked. In July 2013, a Crown Manager was appointed to oversee the council's building control functions. Christchurch City Council had its accreditation reinstated in December 2014. Revoking accreditation had a significant financial and reputational impact on the council and individuals, and the organisation at both a political, executive, and administrative levels are taking considerable responsibility to ensure they maintain accreditation.

National level stakeholders note that revoking accreditation has wider ramifications than just affecting the organisation which loses accreditation. MBIE's Chief Executive is required by section 197 of the Act to recommend that the Minister for Building and Construction appoint someone to act in place of the territorial or regional authority and deliver the territorial or regional authorities' building control function. MBIE has recently placed more emphasis on monitoring and resourcing in this area to better support IANZ and BCAs when concerns about poorly performing BCAs need to be escalated

Consequently, poor performing organisations remain accredited, and IANZ monitors them annually or more frequently. During this time, organisations can carry out their building control functions, including issuing building consents.

'We don't have the ability to postpone accreditation. You either revoke it, or we keep them accredited. We can't revoke everyone one of their accreditations even though they are not meeting the requirement. Instead, we put in a management scheme where they have to report often to see how they are improving to meet requirements.'  
(National stakeholder)

'There is a big black hole between accredited groups that are doing well and accredited organisations that are not doing well. We don't have a scheme that can manage that very well.'  
(National stakeholder)

# The scheme is operating in a changing context

The building system context is changing. The 2019 review of the building system found continuing issues in the building system, including:<sup>27</sup>

- skills and labour shortages
- low productivity
- inefficient practices and processes
- financial vulnerability
- poor health and safety practices.

Additionally, construction methods are changing. New and innovative building products and building methods are increasingly common. The building sector needs to have the confidence to use these modern methods of construction. The sector is also increasingly responding to issues such as the need for sustainable construction methods, withstanding natural disasters, and collaborative project management.

‘The scheme was never made to account for the changing nature of the building sector. It is designed to do things consistently. The scheme doesn’t take into consideration how that works in a practical environment.’ (BCA)

## The building reform programme will affect the scheme

In September 2019 Cabinet approved proposals to lift the efficiency and quality of the building system through:

- strengthening the regulation of building products and building methods
- introducing a specialist framework for modern methods of construction and strengthening the existing product certification scheme, CodeMark
- reducing the building levy and expanding its purpose to support the sector, updating offences and penalties, and changing public notification requirements.

These changes will affect the scheme. BCAs will need technical guidance on these changes as regulation on building products and building methods are strengthened and the framework for modern methods of construction is developed.

BCAs will also need training and skills to support and meet the growing demands of the building sector.

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<sup>27</sup> MBIE. (2019). *Cabinet paper: Lifting the efficiency and quality of the building system: Overview*. Wellington: MBIE.

## **Covid-19 will have an ongoing impact on BCAs**

BCAs report they had notified MBIE that they would not be meeting the statutory requirements for consenting during the Covid-19 lockdown. However, digital systems had enabled them to continue to process some consents. IANZ continued to conduct assessments during the lockdown period.

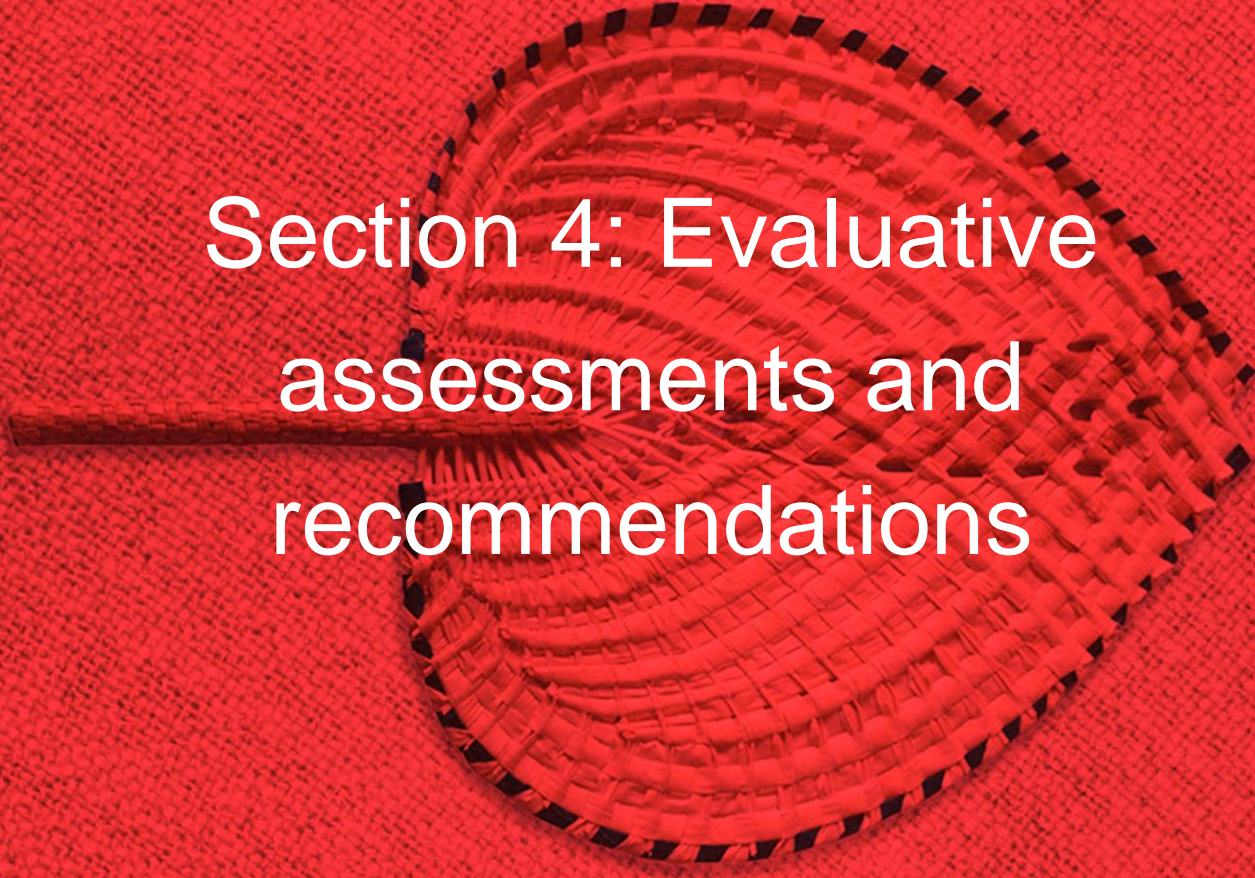
Some BCAs reported that Covid-19 has helped shift them to being wholly digital. At least one BCA who participated in the evaluation will not accept paper applications from July 2020.

Digital systems enabled BCAs to continue working throughout lockdown. However, BCAs are concerned that the delays during lockdown will put additional pressure on them for an extended period, particularly in meeting the statutory requirements and as building demands increase.

## **MBIE and BCAs need monitoring to identify and measure relevant system outcomes**

The scheme design does not link to monitoring data to assess whether the expected outcomes in better quality buildings are emerging. The scheme does not assess the outcome of consenting decisions and MBIE does not gather wider monitoring data to assess whether building quality is improving overall.

This data gap means it is unclear to what extent the scheme is contributing to high quality and safe buildings in New Zealand.

A woven fan with a wooden handle, set against a red background. The fan is made of light-colored woven material, possibly bamboo or reed, and has a dark, striped border. The handle is made of a single piece of wood. The fan is positioned diagonally, with the handle pointing towards the left.

# Section 4: Evaluative assessments and recommendations

## Section 4: Evaluative assessments and recommendations

This evaluation makes the following assessments about how good the scheme is.

### **Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?**

Against the criteria for good regulatory practice, the scheme is well designed but has areas where it can be improved.

The scheme is ensuring that BCAs are contributing to better building outcomes. The scheme ensures MBIE as the central regulator, has oversight of BCA performance. The scheme enables MBIE to provide support and monitor BCAs that are not performing well. The scheme is being implemented as intended.

In general, implementing quality assurance processes, ensuring processes are consistent, and ensuring adequate resourcing, is likely to have contributed to improving building sector performance. However, for effective sector-wide improvements, other supporting legislation such as the LBP and the CodeMark scheme need strengthening (as is already underway with the reform programme).

As the scheme becomes more detailed and focused on process outcomes, it risks becoming less effective at contributing to system-level outcomes. Instead of assessing the quality of decision-making, the scheme concentrates on achieving the correct process. This assumes that sound systems and processes will ensure good quality buildings. This is not always the case, as is evident in individual events such as the Bella Vista development. MBIE, IANZ and BCA stakeholders will need to ensure the process outcomes and system outcomes align and are both considered.

The scheme does not currently have adequate monitoring data to assess whether building system outcomes are improving.

### **How effectively is the scheme currently working to achieve its intended outcomes? In particular, does the current scheme provide assurance BCAs are performing effectively?**

The scheme is achieving the intended outcomes. However, complying with the scheme is challenging for BCAs due mainly to system and scheme level factors including:

- A limited qualified workforce who experience high workload and turnover.
- Building sector stakeholders with low interest in quality assurance processes and little knowledge of the scheme or its purpose.

- Limited ability for the scheme to adapt to smaller BCAs who struggle to reach the same requirements as larger and more resourced large BCAs.

The scheme is unable to prevent failures that occur when BCAs chose not to follow accredited processes and systems unless these failures are identified during the accreditation assessment. Consequently, the scheme does not always deliver predictable and consistent outcomes or provide complete assurance that BCAs are performing effectively.

**To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as the central regulator, to ensure BCAs' compliance with expectations of the scheme?**

The scheme includes levers to ensure BCA compliance. The most used levers currently are increased monitoring, more frequent assessments, and additional support.

The scheme is not currently using all the levers available to encourage good performance or manage poor performance. Good performance is not clearly defined and BCAs who are performing well against IANZ assessments are not rewarded with fewer assessments. National stakeholders consider the levers to manage poor performance are too limited, and significant steps, such as revoking accreditation or limiting the scope of accreditation have only been used once in the history of the scheme.

The scheme needs more levers between monitoring and revoking accreditation. All stakeholders are reluctant to revoke accreditation because of the extensive implications of a BCA losing accreditation. The scheme could be adjusted to include short-term suspensions. This would ensure BCAs are not issuing consents if IANZ indicates a high level of concern with the BCAs performance and if the BCA does not improve within the required timeframe.

**We make the following recommendations based on these assessments**

To reduce resourcing challenges for BCAs, consider:

- ways to support BCAs, notably smaller BCAs to transition to digital services to reduce the number of days IANZ spends on-site
- whether BCAs can introduce a self-assessment component to minimise costs
- reducing the level of assessments for BCAs who share a standard quality assurance manual, as this should significantly reduce the cost and time IANZ takes to conduct audits across the cluster.

To incentivise good performance:

- define good performance within the scheme for BCAs

- reward good performance with fewer or less intensive assessments as proposed in the changes implemented through the 2017 review.

To better manage poor performance:

- Strengthen existing levers to manage poor performance and develop easier pathways to use these. National and BCA stakeholders consider the current levers too extreme to use easily.

To strengthen system-wide factors that influence the scheme's implementation and outcomes:

- Increase awareness of the scheme and understanding of the role of BCAs amongst other stakeholders such as builders and designers

To support BCAs struggling with resourcing and employing qualified BCOs:

- Identify ways to implement greater flexibility in the BCO qualification requirements to allow BCAs to streamline the consent process and allocate resources more effectively.

To identify whether the scheme is contributing to high quality and safe buildings in New Zealand:

- assess building outcomes in a sample of consents as part of the accreditation, either each accreditation round or less frequently (building quality outcomes are likely to take time to emerge).
- Use available data on housing quality throughout New Zealand to monitor the long-term outcomes of the scheme and assess to what extent the scheme is likely to be contributing to improving building quality. For example, use monitoring data to identify whether regions with high performing BCAs also have low incidents of building failure.

# Appendices

## Appendix A: Key evaluation questions and sub-questions

MBIE requires consultancy services to evaluate the Building Consent Authority (BCA) Accreditation Scheme. The scope of the evaluation is to provide response to the following three key evaluation questions (KEQ):

1. Is the scheme designed well enough to provide assurance of BCA effectiveness in terms of contributing to the overall building system outcomes and better performance of the building sector?
2. How effectively is the scheme currently working to achieve its intended outcomes? In particular does the currently scheme provide assurance BCAs are performing effectively?
3. To what extent are current policy settings and tools sufficient and appropriate to support MBIE, as central regulator, to ensure BCAs' compliance with expectations of the scheme?

In answering these questions, the evaluation will seek to identify any barriers to effectiveness, and whether they are due to policy, design, or implementation.

Within each KEQ, there are a number of sub-questions:

- 1a.** How does the design of the scheme compare to other jurisdictions?
- 1b.** Does the design of the scheme provide confidence that the scheme will contribute to the overall building system outcomes and improve performance of the building sector?
- 1c.** Does the design of the scheme contain all the necessary elements so that a BCA can perform its building control functions?
- 1d.** Has the design of the scheme provided sufficient and appropriate tools for MBIE as a central regulator to ensure BCAs are performing effectively?
- 1e.** Does the design of the scheme set appropriate thresholds for each element so that a BCA can perform its building control functions?
- 1f.** Does the scheme clearly identify the role and responsibilities of the BCAs, the assessors (IANZ), and MBIE?
- 1g.** Is the design of the scheme adaptable enough to take into account variability across BCAs, particularly in terms of their size and the unique characteristics of the built environment in which these BCAs operate in?
- 1h.** Is the design of the scheme sufficiently flexible to respond to new and emerging trends in the current building control environment? What mechanisms are in place to review the scheme on a regular and/ or ad-hoc basis?



The second KEQ are focused on the current operation of the scheme, and has a number of sub-questions relating to how the accreditation assessment is carried out, BCAs, MBIE and assessors' responses to the assessment, and the communication and relationship between parties.

**2a.** Is the scheme operating as intended?

**2b.** Do BCAs have the capability (e.g. information and skills) and capability to implement the scheme as intended?

**2c.** How are issues of non-compliance identified, followed-up and reviewed, according to their nature and seriousness?

**2d.** What processes are in place to enable continuous improvement following the identification of these issues?

**2e.** What discrepancies exist between how the scheme was designed to operate and how it operates in practice, and does this impair the assurance process?

The third KEQ is a follow-on from Q1d which considers the question from an implementation perspective and to what extent are current policy settings and tools sufficient and appropriate to support MBIE, as a regulator, to ensure BCA's compliance with expectations of the scheme?

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## Appendix C: Summary of regulatory requirements

The Building (Accreditation of Building Consent Authorities) Regulations 2006 (the Regulations) set out the minimum policies, procedures and systems a building consent authority (BCA) must have and consistently and effectively implement to gain accreditation. The Regulations provide the foundation for achieving the purpose and objectives of the BCA accreditation scheme and the foundation for accreditation assessments.

The Regulations are summarised below. The Ministry of Business, Innovation and Employment (MBIE) has developed detailed regulatory guidance containing further information on the minimum policies, procedures and systems that the Regulations require. A link to the relevant guidance is included with the explanation of each clause.

### Regulation 1

[Regulation 1](#) confirms the title of the Regulations.

### Regulation 2

[Regulation 2](#) contains the commencement provisions for the Regulations.

### Regulation 3

Regulation 3 defines the following words or phrases used in the Regulations:

- Act, the Building Act 2004 (the Act)
- applicant, a person who is applying for BCA accreditation under section 250 of the Act
- building control function, a function of a BCA under the Act
- specified New Zealand qualification, which defines the qualifications a building consent official performing a building control function by doing a technical job must hold.

It is important to understand that the Regulations only apply to BCA functions even where a BCA is a part of a territorial or regional authority which may undertake other functions. Territorial and regional authority functions are out of scope for the scheme.

[Regulation 3: The interpretations clause](#)

### Regulation 3A

Regulation 3A is the standard clause that is used for all transitional and savings schedules included in regulations. The wording is used to allow for any future provisions (inserted by future amendments) to be added to Schedule 1. While the only transitional provision at this stage relates to fees, it is possible that in the future there will be other transitional or savings provisions that relate to matters other than fees.

[Regulation 3A: Transitional, savings and related provisions](#)

### Regulation 4

Regulation 4 states that the standards and criteria for accreditation are set out in Regulations 5–18.

[Regulation 4: Criteria and standards for accreditation](#)

## **Regulation 5**

Regulation 5 requires BCAs to ensure their policies, procedures and systems are written or electronic, “appropriate for their purposes” and “consistently and effectively implemented”.

This general requirement must be read in conjunction with the requirements set out in Regulations 7–18. The policies, procedures and system required by Regulations 7–18 must be written or electronic, appropriate for purpose and consistently and effectively implemented.

[Regulation 5: Polices, procedures and systems](#) contains MBIE’s guidance on meeting the accreditation requirement.

## **Regulation 6**

Regulation 6 requires a BCA to record:

- how it ensures that its policies, procedures and systems are effectively implemented
- the decisions it makes under its policies, procedures and systems
- the reasons for and outcomes of its decisions.

This general requirement must be read in conjunction with the requirements set out in Regulations 7–18. Decisions made under the policies, procedures and system required by Regulations 7–18 must be recorded.

[Regulation 6: Observance of policies, procedures and systems](#) contains MBIE’s guidance on meeting the accreditation requirement.

## **Regulation 6A**

Regulation 6A sets out the requirement that a BCA must have a system for notifying MBIE and the accreditation body of specified matters that include a change to their organisational status or significant turnover in staff. A BCA that is not part of a territorial or regional authority has additional notification requirements.

[Regulation 6A: Notification requirements](#) contains MBIE’s guidance on meeting the accreditation requirement.

## **Regulation 7**

Regulation 7 sets out detailed requirements for a BCA’s policies and procedures for performing their building control functions including for:

- providing information to the public
- receiving and processing consent applications
- planning, performing and managing inspections
- the issue of code compliance certificates, compliance schedules and notices to fix
- managing inquiries and complaints.

Regulation 7: Performing building control functions contains MBIE’s guidance on meeting the accreditation requirement.

## **Regulation 8**

Regulation 8 specifies the requirement that a BCA must have a system for ensuring it has enough employees and contractors to undertake its building control functions.

[Regulation 8: Ensuring enough employees and contractors](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 9**

Regulation 9 specifies the requirement that a BCA must have a system for ensuring building control work is allocated only to those who are competent to do the work.

[Regulation 9: Allocating work to competent employees or contractors](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 10**

Regulation 10 specifies the requirement that a BCA must have a system for establishing and assessing the competence of employees who undertake building control functions.

[Regulation 10: Establishing and assessing competence of employees](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 11**

Regulation 11 specifies the requirement that a BCA must have a system for training employees who undertake building control functions by doing a technical job. It specifies the components that the training system must include.

[Regulation 11: Training employees](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 12**

Regulation 12 specifies the requirement that a BCA must have a system for choosing and using competent contractors and specifies the features that the system must include.

[Regulation 12: Choosing and using contractors](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 13**

Regulation 13 specifies the requirement that a BCA must have a system for identifying and designating appropriate technical leadership.

[Regulation 13: Technical leadership](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 14**

Regulation 14 specifies the requirement that a BCA must have a system for ensuring it has the technical information, facilities and equipment to effectively perform its building control functions.

[Regulation 14: Ensuring necessary technical resources](#) contains MBIE's guidance on meeting the accreditation requirement.

### **Regulation 15**

Regulation 15 requires BCAs to record their organisational structure and the roles, responsibilities, powers, authorities, and limitations on the powers and authorities, of their staff.

[Regulation 15: Keeping organisational records](#) contains MBIE's guidance on meeting the accreditation requirement.

## **Regulation 16**

Regulation 16 requires BCAs to have a system for ensuring all information relevant to a building consent application is filed, readily accessible, retrievable and stored securely.

[Regulation 16: Filing applications for building consents](#) contains MBIE's guidance on meeting the accreditation requirement.

## **Regulation 17**

Regulation 17 specifies requirements for a BCA's quality assurance system.

[Regulation 17: Assuring quality](#) contains MBIE's guidance on meeting the accreditation requirement.

## **Regulation 18**

Regulation 18 requires building control officials who perform building control functions by doing a technical job to have a specified New Zealand qualification. It also provides that a BCA may have a system for determining where it is unreasonable and impractical to implement the system.

[Regulation 18: Requiring appropriate technical qualifications](#) contains MBIE's guidance on meeting the accreditation requirement.

## **Regulation 19**

[Regulation 19](#) refers to Schedule 2 of the Regulations, which sets out the fees payable for an accreditation assessment.

## **Schedule 1**

Schedule 1 includes a transitional provision for the provision of the fees payable for an accreditation assessment. It is necessary to ensure the appropriate charging of the ongoing accreditation fee that covers the administration of the scheme. This fee is payable in arrears and will be charged based on the months that have passed since an accredited organisation or BCA's last assessment.

## **Schedule 2**

Schedule 2 sets out the fee for service regime for initial applications for accreditation and regular accreditation assessments (referred to as audits).

The following can be found on the Legislation website:

- [The Building \(Accreditation of Building Consent Authorities\) Regulations 2006](#)
- [The Building Act 2004](#)

## **Appendix D: Accredited organisations**

### **Accredited BCAs**

Ashburton District Council  
Auckland Council  
Buller District Council  
Carterton District Council  
Central Hawke's Bay District Council  
Central Otago District Council  
Christchurch City Council  
Clutha District Council  
Dunedin City Council  
Environment Canterbury  
Far North District Council  
Gisborne District Council  
Gore District Council  
Grey District Council  
Hamilton City Council  
Hastings District Council  
Hauraki District Council  
Horowhenua District Council  
Hurunui District Council  
Hutt City Council  
Invercargill City Council  
Kaikoura District Council  
Kaipara District Council  
Kapiti Coast District Council  
Kawerau District Council  
Mackenzie District Council  
Manawatu District Council  
Marlborough District Council  
Masterton District Council  
Matamata Piako District Council  
Napier City Council  
Nelson City Council  
New Plymouth District Council  
Opotiki District Council  
Otago Regional Council  
Otorohanga District Council  
Palmerston North City Council  
Porirua City Council  
Queenstown Lakes District Council  
Rangitikei District Council  
Rotorua District Council  
Ruapehu District Council



Selwyn District Council  
South Taranaki District Council  
South Waikato District Council  
South Wairarapa District Council  
Southland District Council  
Stratford District Council  
Tararua District Council  
Tasman District Council  
Taupo District Council  
Tauranga City Council  
Thames Coromandel District Council  
Timaru District Council  
Upper Hutt City Council  
Waikato District Council  
Waikato Regional Council  
Waimakariri District Council  
Waimate District Council  
Waipa District Council  
Wairoa District Council  
Waitaki District Council  
Waitomo District Council  
Wellington City Council  
Western Bay of Plenty District Council  
Westland District Council  
Whakatane District Council  
Whanganui District Council  
Whangarei District Council

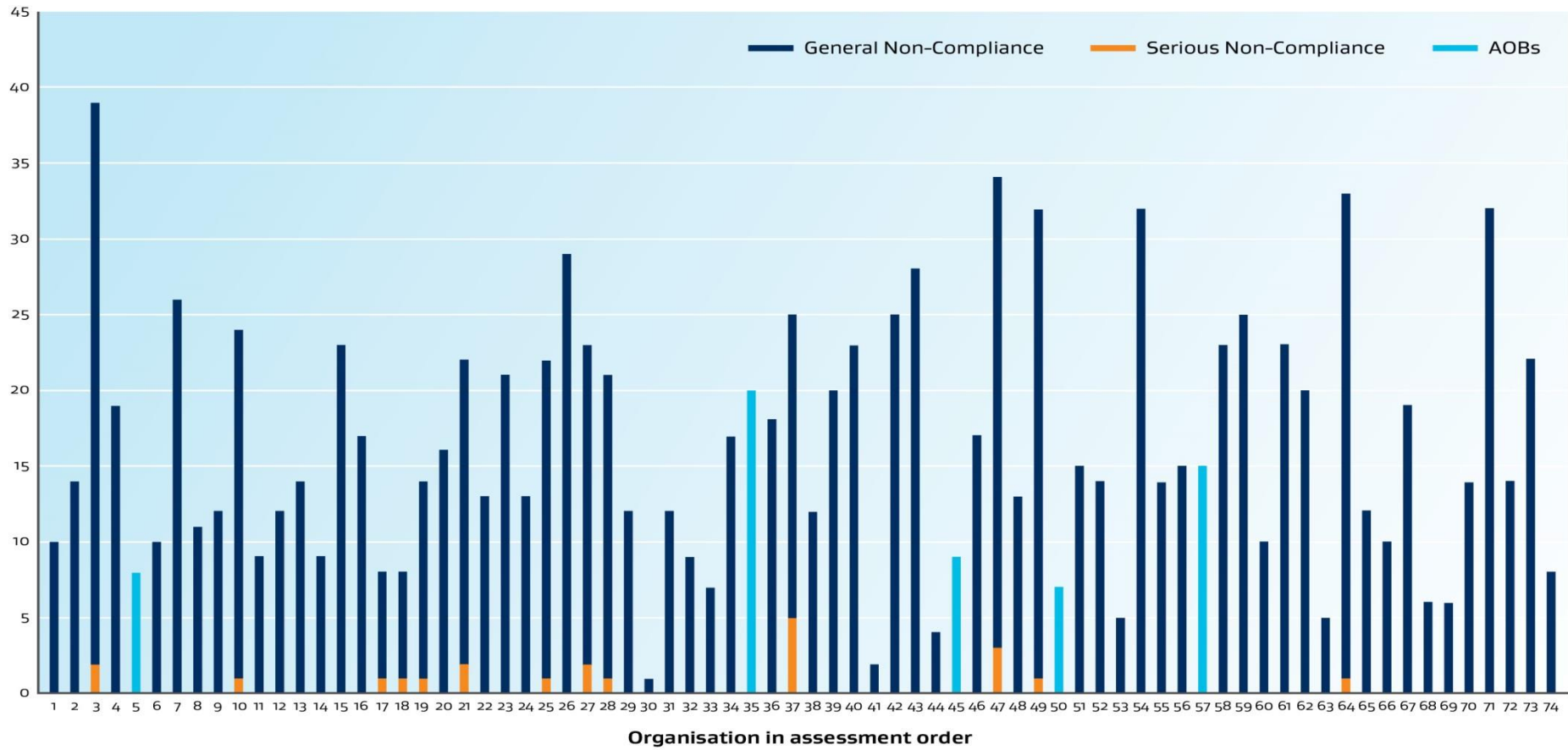
**Accredited private organisations**

City Certifying Consultants Limited  
ComplyNZ Limited  
Holmes Farsight LP  
National Processing Limited  
Professional Building Consultants Limited

**Appendix E: Accredited organisations' number of serious non-compliance and general non compliances July 2017-June 2019**

Data from MBIE. (2019). Biennial BCA Accreditation Report Round 6: July 2017-June 2019. Wellington: MBIE. Retrieved from <https://www.building.govt.nz/assets/Uploads/building-officials/bca-accreditation/bca-accreditation-report-round-six-july-2017-june-2019.pdf>

**Number of serious and general non-compliances against organisation**



**Appendix F: Accredited organisations' actual versus estimated cost of assessment  
July 2019 to May 2020**

<b>BCA/accredited organisation</b>	<b>Estimated</b>	<b>Actual</b>	<b>Variance %</b>	<b>Explanation for variance (if variance is over 5%)</b>
Otago Regional Council	24,000	\$16,675.00	31	No requirement to review inspections
Auckland Council	60,000	\$48,187.00	20	Used offsite assessment for first week to reduce costs.\
Waikato Regional Council	24,000	\$19,503.17	19	No requirement to review inspections
Environment Canterbury	22,000	\$18,031.14	18	No requirement to review inspections
Kaikoura District Council	25,000	\$20,910.98	16	Remote assessment – no inspection review
Whanganui District Council	25,000	\$21,493.14	14	Good performance
Timaru District Council	27,000	\$23,423.00	13	Good performance
Buller District Council	25,000	\$22,263.21	11	Good performance
Professional Building Consultants	20,000	\$18,095.63	10	Excellent performance – very few findings
Kapiti Coast District Council	24,000	\$21,774.21	9	Good performance
Dunedin City Council	25,000	\$23,029.79	8	Good performance – very few findings
Tauranga City Council	60,000	\$55,863.87	7	Overestimated
Ruapehu District Council	27,000	\$26,096.27	3	-
Holmes Farsight	30,000	\$30,005.43	0	-
Western Bay of Plenty District Council	26,000	\$26,288.56	-1	-
Kawerau District Council	25,000	\$25,368.61	-1	-
Wairoa District Council	28,000	\$28,222.65	-1	-
Tasman District Council	24,000	\$24,736.05	-3	-
Hutt City Council	25,000	\$25,894.00	-4	More GNCs than expected/more time for preparation & inspection

<b>BCA/accredited organisation</b>	<b>Estimated</b>	<b>Actual</b>	<b>Variance %</b>	<b>Explanation for variance (if variance is over 5%)</b>
Porirua City Council	24,000	\$25,508.33	-6	Slightly more time to review inspections
Tararua District Council	25,000	\$27,330.15	-9	More GNCs than expected/more time for preparation & inspection
South Wairarapa District Council	25,000	\$27,669.40	-11	More GNCs than expected/more time for preparation & inspection
Grey District Council	24,000	\$27,243.98	-14	More GNCs than expected/more time for preparation & inspection
Otorohanga District Council	27,000	\$30,926.21	-15	More GNCs than expected/more time for preparation & inspection
Thames Coromandel District Council	25,000	\$28,718.52	-15	Four days onsite allowed
Ashburton District Council	25,000	\$29,297.49	-17	More GNCs than expected/more time for preparation & inspection
Central Otago District Council	27,000	\$31,752.65	-18	More GNCs than expected/more time for preparation & inspection
Upper Hutt City Council	21,000	\$24,900.07	-19	More GNCs than expected/more time for preparation & inspection
Hastings District Council	25,000	\$29,811.71	-19	More GNCs than expected/more time for preparation & inspection
Gisborne District Council	24,000	\$28,713.21	-20	More GNCs than expected/more time for preparation & inspection
Westland District Council	27,000	\$32,439.30	-20	More GNCs than expected/more time for preparation & inspection
South Waikato District Council	24,000	\$29,370.83	-22	More GNCs than expected/more time for preparation & inspection
Hamilton City Council	29,000	\$35,839.47	-24	Remote assessment with 2 x TEs
Waipa District Council	24,000	\$33,215.52	-38	More GNCs than expected/more time for preparation & inspection
Whangarei District Council	25,000	\$34,703.55	-39	More GNCs than expected/more time for preparation & inspection
Selwyn District Council	21,000	\$29,845.61	-42	More GNCs than expected/more time for preparation & inspection
Far North District Council	23,000	\$32,836.00	-43	More GNCs than expected/more time for preparation & inspection
Hauraki District Council	21,000	\$30,382.60	-45	More GNCs than expected/more time for preparation & inspection
Queenstown Lakes District	30,000	\$44,483.06	-48	Extra TE required due to high consent numbers

<b>BCA/accredited organisation</b>	<b>Estimated</b>	<b>Actual</b>	<b>Variance %</b>	<b>Explanation for variance (if variance is over 5%)</b>
Council				
Otago Regional Council	-	\$7,895.13		-SA so no estimate
Consentium - a division of Kāinga Ora		\$76,721.00		IA so no estimate
Invercargill City Council	-	\$1,298.07		SA so no estimate
Solutions Team	IA so no estimate	\$24395.00	-	
Marlborough District Council	25,000	Est \$18,000	-	

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