



Standards and Conformance Infrastructure Review
Regulatory Cooperation and Standards
Labour and Commercial Environments
Ministry of Business, Innovation and Employment
P O Box 3705
Wellington

24th April 2013

Standards and Conformance Infrastructure Review

The New Zealand Institute of Architects (NZIA) welcomes the opportunity to make a submission on the standards and conformance infrastructure review. The NZIA has been in existence since 1905, and is the professional body which represents the interests of over 90% of architects in their role as principals and as employers and employees. It liaises with kindred professions and industry participants.

We would be available to assist the Ministry with any further enquiries either through our National Office or through our involvement on the Construction Industry Council (CIC). Outlined below is our response to the questions raised in the Discussion document.

Proposals to enhance the delivery of Standards by New Zealand's national standards body – Feedback form

Section 3: Unique value and distinctive functions of the NSB

1. *Do you agree that these functions are valuable and unique to the NBS*
Yes
2. *What additional unique functions do you think the NBS has, and why are they unique to the NBS?*
 - Delivery of up-to-date Standards to the various industry groups via hard copy and Electronic Libraries
 - Relationships and engagement with "technical experts" within key industry groups.
 - Independence.
 - Joint AS/NZS Standards, offering access to a broader range of intellectual property for little cost and harmonisation in the market place.
3. *What other functions (if any) do you think the NBS should be responsible for? Why?*
 - Establishing relationships with organisations developing IT products and systems; with the move towards BIM-based design/construction processes.
 - Electronic libraries of BIM objects for the same reason.
 - Object-based classification systems, specifically to suit the BIM environment.

Section 4: Functions of the Standards board as part of the NSB

4. *Do you agree with the proposal to enable other entities to develop NZS? If not, why not?*
No
- Single point of management and control would be lost.
 - Quality levels more difficult to maintain.
 - Loss of Australian connection and Australian funding input into joint Standards.
5. *Do you agree with the other functions of the Standards board? If not, why not?*
No.
- Refer above. In our view SDO's are simply a bad idea. NZ Standards are industry documents defining best practice and require industry involvement and input. If they are produced in house by a SDO we will lose this input and will arrive at standards that are minimum compliance to the Building Code rather than establishing industry best practice.
6. *What additional functions do you think the Standards board should have, and why?*
- See above under point 3.
7. *Does having a statutorily independent Standards board achieve the necessary independence required for the NZS approval function?*
Yes.
- Retain at all cost. It is important that Standards NZ does not merge with IANZ because accreditation and standards should be separately administered.
8. *How do you think access to the NZS catalogue could be improved?*
- Other than cost there are few barriers to access. CIL, owned jointly by NZIA, RMBF and BRANZ, provides economic access to a library of 1,000 Standards to CIL's 1,200 consultancy offices.
9. *What do you think is the relative capacity and willingness to form SDOs in New Zealand?*
- Not aware of the potential, however would be concerned to see either government departments or research organisations take on this role. Clear conflict of interest (best practice versus minimum compliance). The absorption of standards setting process into MBIE for "Building and Construction" is not supported because it creates no separation of powers and in essence, regulatory capture.
10. *Would your organisation have a potential interest in becoming a SDO?*
No.

Section 5, Part A: Criteria for approving SDOs.

We disagree with the SDO concept. See Point 5 above for reasons.

Section 5, Part B: Criteria for approving Standards.

14. *Do you agree with the criteria for approving NZS?*
Yes.
- But disagree with the concept of SDOs. The SDO approach raises potential risks

around the responsibilities to maintain NZS they have developed. If the circumstances and/or environment changes and a SDO is no longer adequately resourced for reviews, what does that mean in practice and does this then create additional risks for the relevant sector?

15. *What additional criteria do you think should be included, and why?*

- Ensuring that regulators cannot influence the Standards technical committee process. Standards must remain industry documents and reflect best practice not minimum standards of compliance. Regulatory bodies can lack staff with front line technical expertise and can base their decision-making on cost ahead of quality practice.

There is evidence to support that industry involvement produces robust standards (e.g NZS3604:2011). The proposed changes risk this robustness and quality technical input.

Technical experts and industry representatives should lead the development and review of standards. MBIE and NSB provide a governance framework (i.e. audit, monitoring, reporting, etc.) and funder for this work.

Other potential criteria for consideration, includes:

- a verifiable evidence base to support review findings and proposed changes
- monitoring and audit procedures
- designated review time frames (acknowledging that some reviews will be to maintain the status quo).

16. *How do you think any liability or risk relating to the relevance and accuracy of NZS should be managed?*

- Not applicable as long as SDOs do not proceed.

Section 5, Part C: Maintenance of the NZS catalogue.

17. *Do you agree with the proposed settings for maintaining the NZS catalogue? If not, why not?*

Yes, but...

- Concerns around Item 2 – Collating feedback. Would argue that this should be “establish evidence base” to support review and other industry feedback.
- Development and adoption of a standard should include review provisions – rather Than making these optional.
- Disagree with Item 4 – changing status if not updated. If a key Standard requires updating then this must be done. 5-7 years maximum between review (updating will not always be required however).

18. *What additional settings do you think should be included, and why?*

- Need to ensure that timing of release of Standards and MBIE documents citing the Standard are synchronised.

19. *Where should accountability sit for ensuring NZS are relevant and up-to-date?*

- Accountability should always be shared between SNZ and the relevant industry group.
- Boards and councils cannot approve the technical content of Standards as they lack

the necessary technical expertise. Their role is one of governance (oversight, audit, etc.) and to ensure that the committee is balanced and that a ballot approach is adhered to ensuring industry consensus (80% minimum) is reached.

Section 6: Other opportunities to improve the Standards process.

20. *How good a fit do you think the NZS system is for your sector and why?*

- It is a good fit but funding is affecting the ability of experts to provide their time and expertise gratis.
- There are gaps in coverage (e.g. light steel framing, multi-layer roofing systems) and some key standards are out of date.
- Concerned at inconsistencies between Standards and compliance documents.
- The concept of good, better, best levels of quality/amenity would add value and allow initial cost to be balanced against lifecycle costs.

21. *What things if any could be done to make the NZS system a better fit for your sector?*

- NZS 3602/3603/3604 updating process was severely hampered by the lack of funding for essential research.
- Consumer representatives have been used on some technical committees, but this seems to have ceased in recent years.
- Independence from the regulator.
- Citing is an issue, especially where it reduces the validity of a Standard to present best practice. Updating of cited Standards and compliance documents needs to be synchronised to avoid industry frustration.

22. *Do you think use could be made of a sector levy fund to develop and maintain some NZS? How might a levy work for funding NZS in your sector?*

- Yes – sector funding, if matched by direct, annual government funding of SNZ would be viable in the design/construction sector.
- However direct government funding must be as an annual grant and not tied to specific projects, which as a result impacts negatively on forward planning. This could be overcome if multi-year allocations were provided – acknowledging that appropriate “checks and balances” would be needed.

Section 7: Opportunities and risks arising from institutional options

23. *What opportunities and risks do you think the three institutional options provide for delivering on the NBS's unique value and distinctive functions (as outlined in Section 3)?*

- Of the Options provided, Option C is the only viable option to ensure the integrity of the Standards process.
- Option A – the full absorption of the standards setting process for the building and construction industry into MBIE is not supported as it creates an environment of ‘regulatory capture’
- The statutorily independent Standards Board does not have the technical knowledge to determine whether the appropriate processes have been followed which is why industry input is required. It is highly likely that MBIE would use their own processes and will not consult with industry. Any agreements should represent a consensus viewpoint.
- Option B – the merger of Standards NZ into IANZ is not supported because the Accreditation and standards setting need to be separately administered.

- It should be noted that Germany, Finland and Norway all show how Standards can be produced and delivered by and to the industry, while still ensuring a close relationship with government and regulatory bodies.

24. *Are there any other Standards board and/or operating arm configurations that you think would work better?*

No

25. *What impact (if any) would the three institutional options have on you as an expert who contributes to the NZS and why?*

- There would be a significant drop off in the willingness of experts to contribute if Option A or Option B was adopted.

We thank you for the opportunity to comment on these proposals. If there is any further information that you require please do not hesitate to contact us.

Yours sincerely



Teena Hale Pennington
Chief Executive