

**BUILDING  
PERFORMANCE**

# Occupational Regulation of Engineers

Civil Aviation Authority of New Zealand:  
Design Delegations Holder's Seminar  
3 November 2022



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

New Zealand Government

# Why occupational regulation?

- Protects the public from harm caused by negligent, reckless or incompetent practitioners
  - Harm = health and safety, economic costs, environmental damage
- Intended to set and maintain professional standards
- Usually includes barriers to entry and sanctions for poor performance



# Regulation of engineers is evolving

- Cabinet has agreed to establish:
  - a new occupational regulatory regime
  - a new regulator
- A Bill is being prepared to:
  - Require those who provide professional engineering services to be registered
  - Restrict who can practice in areas where there is a need to demonstrate competency to licensed engineers
  - Establish a new regulatory board and supporting governance arrangements
  - Establish grounds for discipline and offences
  - Set out transitional measures



## Cabinet Economic Development Committee

### Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

#### Establishing a New Occupational Regulatory Regime for Professional Engineers (Paper 1)

Portfolio Building and Construction

On 16 March 2022, the Cabinet Economic Development Committee (DEV):

#### Background

- 1 **noted** that occupational regulation aims to protect the public from the risks of incompetent or reckless engineering work;
- 2 **noted** that the regulatory regime for engineers in New Zealand is not fit-for-purpose and risks significant harm to life, health, property, economic interests, the public welfare or the environment;
- 3 **noted** that in May 2021, DEV agreed to publicly consult on a proposed two-tiered regulatory regime that would:
  - 3.1 introduce a mandatory registration requirement for all persons providing professional engineering services;
  - 3.2 restrict practise in high risk engineering disciplines to persons holding a licence;
  - 3.3 establish a new two-tiered regulator to oversee the regime;[DEV-21- MIN-0087]
- 4 **noted** that 250 submissions were received on proposals, the majority supporting the proposed changes;
- 5 **agreed** to establish a new occupational regulatory regime for persons providing professional engineering services, featuring mandatory registration, licensing where there is a need to demonstrate competency, and a new regulatory board;

# Registration

- All persons who provide professional engineering services will need to be registered
  - Definition of *professional engineering services* to be refined while drafting the bill (modelling based on overseas examples)
  - Regulations can explicitly include or exclude certain services from the need to be registered
- Eligibility requirements for registration set by Engineers Registration Board through rules
  - Expect this will include an appropriate qualification and recognition of alternative pathways
- Code of ethical conduct and continued professional development requirements
- Separate register for Registered Engineering Associates
  - Engineering Associates Act likely to be repealed. Current REA rolled into new regime
  - Voluntary registration
  - Potential pathway for licensing for technicians and technologists



## Engineers regulated by other regimes

- Intention of new regime is not to duplicate/undermine existing regulatory frameworks for specialised groups
  - Maritime Transport Act, Civil Aviation Act
- Aim is to avoid overlap, unnecessary duplication and costs
- Proposed measures to mitigate:
  - Treat person as registered if already recognised by another enactment
  - Subject to same code of ethics and entitled to use protected title
  - Board has ability to waive fees (in full or in part)

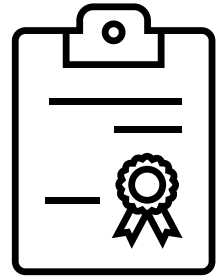
# Expert Engineering Services from Overseas Engineers



- Recognition that engineering is a global activity
  - Overseas based engineers providing specialist services or coming to NZ
  - NZ engineers providing services for overseas clients
- Overseas engineers who are supervised by NZ registered engineer = no registration requirement
- Temporary registration class to be created for engineers who:
  - A. ordinarily reside outside of NZ and
  - B. cannot be supervised by NZ registered engineer
- Overseas engineers would be subject to code of ethics, but not professional development
- Board would set eligibility requirements through rules

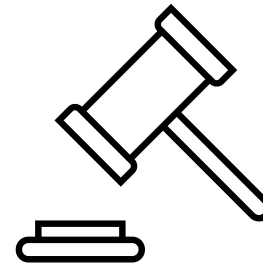
## Licensing

- Licensing to restrict work in high risk practice fields
  - Established by way of regulations
  - Classes bespoke to practice field being restricted
    - This may allow for different eligibility criteria
  - Licensing individuals only, not companies
    - However in practice consultancies may choose to only licence senior staff
- Changes to the process as result of consultation:
  - Provide for auditing of licensed engineers, both random and in response to a complaint
  - **We want to hear from you!**
    - Explicit requirement for Minister to consult with any relevant professional body and the public when developing regulations



## Complaints and Discipline

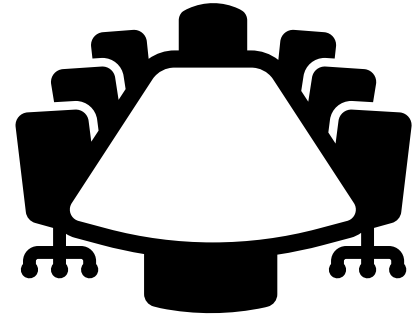
- A robust process is a must to ensure confidence in the regime
  - Principles of fairness, impartiality and transparency
- Grounds for discipline based on current Chartered Professional Engineers and Licensed Building Practitioners schemes
  - Convicted of an offence
  - Breach of code of ethics
  - Provide Board with false/misleading information
  - Negligently carried out or supervised restricted work
  - Carrying out or supervising unlicensed work
  - Falsely holding self as licensed when they were not
- Board will have various powers to take actions against engineers
  - Cancel or suspend registration/licence
  - Limit scope of work
  - Require training
  - Issue a formal statement
  - Order a fine

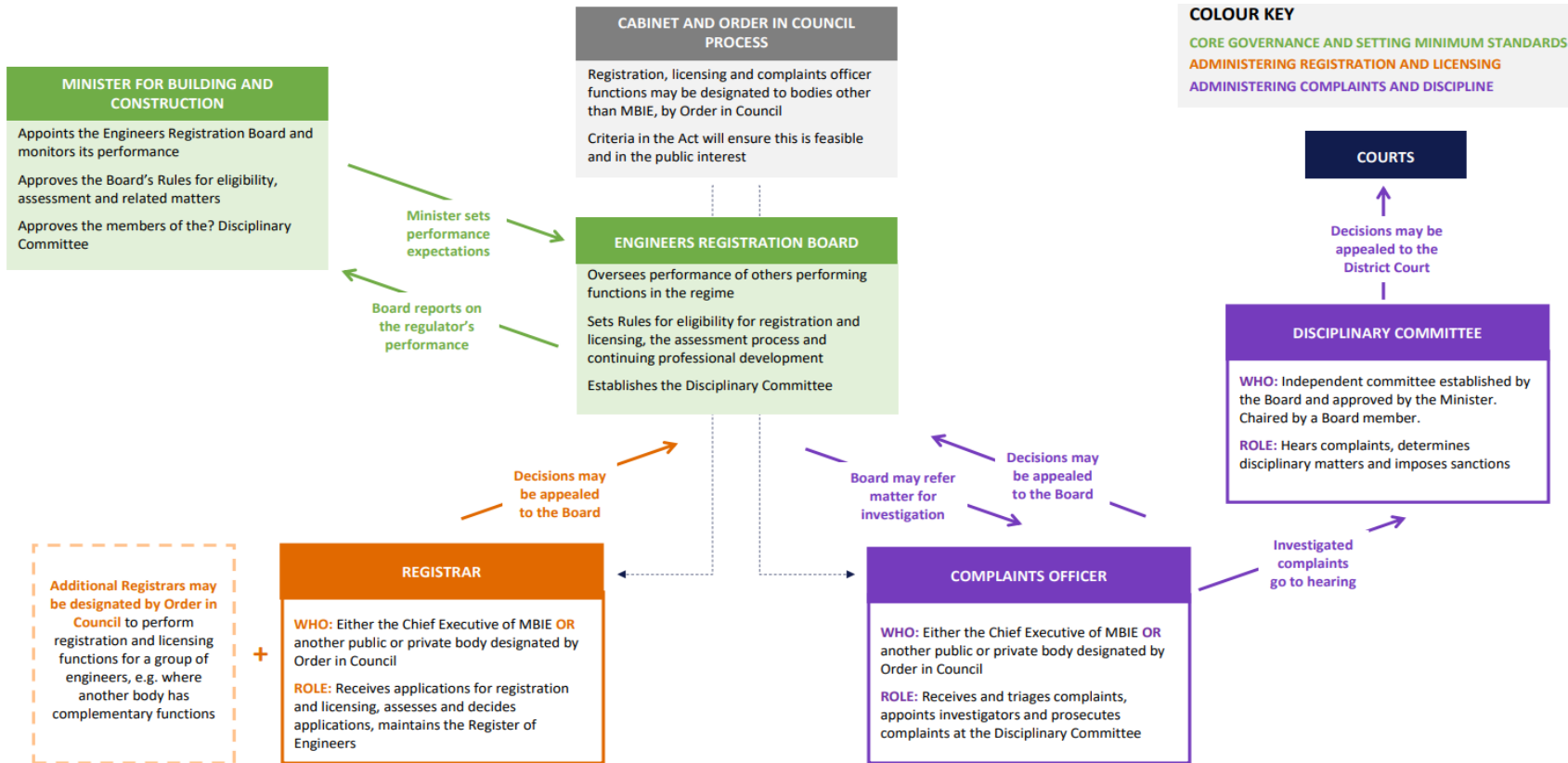




## A new regulator

- Current governance oversight was deemed to lack the accountability, transparency and independence
- New independent registration board will:
  - Monitor performance of regulatory functions
  - Maintain a public register
  - Set minimum standards for the profession (registration & licensing)
  - Establish a Discipline Committee
  - Refer matters to Complaints Officer
  - Consider appeals from Registrar/Complaints decisions
- Requirements
  - 6-8 members with required skills, knowledge and experience
  - Utilise abilities of both professionals (engineers) and laypersons
  - Annual reporting





# Transitional arrangements

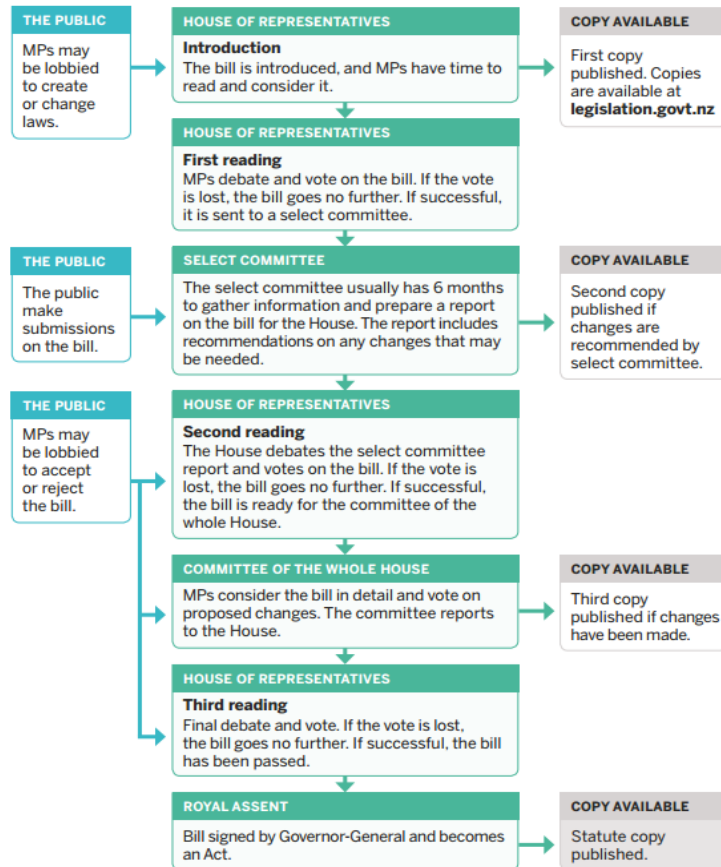
- Bill will contain appropriate transitional arrangements
- Would likely include:
  - Expiry of the CPEng regime
    - Engineering New Zealand will continue to act as Registration Authority
    - Complaints will continue to be heard for historic substandard work or behaviour
  - Deeming provisions for those engineers that satisfy eligibility requirements (e.g. CPEng and ENZ members)
  - Allowing sufficient time for Board to make a decision on registration or licensing
  - Allowances for engineers to practice while waiting on decisions for registration or licensing

## Next steps

Now	Bill being prepared by Parliamentary Counsel Office
First half of 2023	Bill introduced and referred to Select Committee
Early-mid 2024	Bill enacted
Late 2024	Board appointed, supporting regulations and rules prepared
2024-2030	Transitional period
2030	New regime in place, CPEng repealed

# How a bill becomes law

For further information:  
[www.parliament.nz](http://www.parliament.nz) or  
[parlinfo@parliament.govt.nz](mailto:parlinfo@parliament.govt.nz)



# Questions

