

CONSULTATION PAPER

BUILDING CONTRACTOR REGISTRATIONS

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1. Background

The Northern Territory Government is looking to introduce registration for commercial building contractors. This would see builders who build and undertake certain building works in commercial buildings such as offices, shops, warehouses and carparks (building classes 2-9 as defined in the National Construction Code) registered for the first time in the Northern Territory. Registration ensures builders have the appropriate qualifications and experience to build specific buildings, giving confidence to consumers and reinforcing trust in the local building industry.

In March 2021, the Minister for Infrastructure, Planning and Logistics (the Minister) released a consultation paper on Building Contractor Registrations (Link: dipl.nt.gov.au/building-reform).

The feedback received on the previous consultation paper supported the introduction of registration for commercial builders and the need for further consultation on registration options. In May 2021 the Minister requested the Building Advisory Committee (BAC) to work with the Department of Infrastructure, Planning and Logistics (the Department) to progress the Building Contractor Registrations. The BAC is made up of members from the building and construction industry and professional associations who advise the Minister on building matters.

The BAC considered the feedback from stakeholders and developed a preferred model for the registration for residential and commercial builders. This model is referred to as Option 1 in this paper. In response to the diversity of stakeholder views, an alternate model (Option 2) is also presented. Both options take into account the National Registration Framework developed to provide a consistent, high-level framework for registration of core building-related occupations, but have been developed taking into consideration the local building and construction industry. Further information on the National Registration Framework can be found at: www.abcb.gov.au/initiatives/bcr/bcr-outputs.

This paper outlines and seeks feedback on two possible options for Building Contractor Registration categories and the type of works that would need to be undertaken by registered builders. A series of questions are included in this paper, please send written responses to bas.policy@nt.gov.au.

Option 1 proposes a single category of residential contractor and three categories of commercial contractor (levels 1 to 3), including a category for those who only undertake fit-out and alterations in commercial buildings.

Option 2 proposes a single category of residential contractor and two categories of commercial contractor (levels 1 and 2) with different level qualifications for levels 1 and 2 when compared to Option 1.

In both options the scope of works for the residential category covers class 1a, 1b and 10 and class 1a or 2 of one or two storeys, where the value of work is \$12,000 or above. Currently class 1b (boarding house/guest house) building work does not require a registered builder. This reform will add class 1b building work to residential builder's registration, requiring anyone undertaking class 1b building work to engage a registered residential builder. No additional building experience or qualifications are proposed for the residential category of both options for class 1b works.

The differences between the two options are:

- Option 1 includes a category of commercial contractor (level 3) specifically for commercial fit-outs and/or alterations to class 2-9 buildings of any size.
- The qualification requirements for commercial contractor levels 2 and 1 are different. As an example for level 2, Option 1 requires a Diploma of Building and Construction (Building) and Option 2 requires a Certificate IV in Building and Construction.

2. Who does this apply to?

The proposed options for building contractor registrations applies to:

- Builders currently registered as Building Contractor – Residential (restricted or unrestricted), and
- Builders who undertake commercial building work (class 2-9) of any size.

Current residential registration categories will remain until renewed, when the building practitioner will need to apply for one of the proposed new registration categories.

To help the industry adjust to any new registration requirements, transitional arrangements (grandfathering) will be introduced to allow existing builders to obtain a registration within three years from commencement based on their building experience without them needing to obtain a new qualification. This places a higher emphasis on the experience of builders over qualifications.

A current building contractor – residential (restricted) may transition to a building contractor – residential in either Options 1 or 2.

A current building contractor – residential (unrestricted) may transition to a level 1 or 2 building contractor – commercial builder depending on their commercial building experience including the number of storeys being constructed.

Endorsements can also be placed on registrations whereby a residential registration endorsement may be applied to a commercial registration or vice versa. An endorsement is like having a second registration linked to your main registration. There is no additional cost for an endorsement. A practitioner would simply apply for a particular registration and within that application request an endorsement for other specific building classes or number of storeys to be placed on their registration. To receive an endorsement the practitioner will be required to have the appropriate qualification and demonstrate building experience. The Building Practitioners Board assesses all building practitioner registrations and would be responsible for granting endorsements.

Question for stakeholders:

- Do you agree with the use of endorsements on building contractor categories?
- Do you have any further suggestions to ensure registrations are as flexible as possible?

3. Prescribed building work

The purpose of defining prescribed building work is to clarify the circumstances for which a registered building practitioner is required to undertake building works. The current definition of prescribed building work is limited to residential building work worth more than \$12,000 and involves one of the following buildings:

- a class 1a building, for example a single dwelling, a detached house or attached townhouses or duplexes
- a class 2 building, for example attached units or flats
- extensions and renovations to class 1a or class 2 buildings where the floor area is increased
- a class 10 building - for example a garage, carport or shed - attached to and built at the same time as a class 1a or class 2 building
- a retaining wall - whenever built - that is not attached to a class 1a or class 2 building but on which the integrity of such a building depends, or
- the relocation of an existing building.

Considering changes to building contractor registrations provides the opportunity to develop prescribed building works for commercial buildings. Previous consultation with stakeholders identified some ideas for prescribed building work when applied to commercial buildings, including:

- limiting the building works by value, for example \$50,000
- excluding works that are repairs and maintenance, and
- excluding small non-structural works.

Questions for stakeholders:

- Do you agree with the ideas above for prescribed building works when applied to commercial buildings?
- What other ideas could be considered?

4. Continual professional development

In March 2021, the Minister announced the intention to introduce continual professional development (CPD) as part of Northern Territory Building Reform and sought feedback on a consultation paper (Link: dipl.nt.gov.au/building-reform).

CPD is where approved learning activities are undertaken by practitioners to update and maintain their skills and knowledge on a regular and ongoing basis in their specific industry. CPD requirements are currently being developed for implementation in the NT.

When introduced, CPD will apply to all categories of registered building contractors and when new building contractor categories are created, such as commercial builders, practitioners registered in those categories will also need to meet CPD requirements.

5. Detailed overview of options

5.1. Option 1

The key features of Option 1 are:

- A category of commercial contractor (level 3) specifically for commercial fit-outs and alterations to existing class 2-9 buildings of any size, and
- The qualifications required for commercial contractor levels 2 and 3 is a Diploma of Building and Construction (Building). This qualification requirement acknowledges the building complexities of commercial buildings and the skill level and knowledge required to undertake commercial buildings.

Option 1 Table of requirements

Sub-category	Residential	Commercial Level 3	Commercial Level 2	Commercial Level 1
Scope of works	Class 1a, 1b and 10 Class 1a or 2 of one or 2 storeys Value of the work is \$12,000 or above	Commercial fit-out/alterations to existing Class 2-9 buildings of any size	Commercial class 2-9 up to 3 storeys	Commercial class 2-9 of any size
Qualification	Certificate IV in Building and Construction	Diploma of Building and Construction (Building)	Diploma of Building and Construction (Building)	Diploma of Building and Construction (Building) and Advanced Diploma of Building and Construction Management OR Bachelor of Construction Management or an equivalent qualification
Experience	At least 3 years practical experience in carrying out the same building works and/or equivalent	At least 3 years practical experience in carrying out the same building works and/or equivalent	At least 3 years practical experience in carrying out the same building works and/or equivalent	At least 3 years practical experience in carrying out the same building works and/or equivalent
Transitional Arrangements (Grandfathering)	Automatic transfer upon renewal registration for building contractor - residential (restricted)	Minimum 3 year experience in commercial fit-out/alterations to existing class 2-9 buildings of any size	Minimum 3 year experience in class 2-9 buildings up to 3 storeys Automatic transfer upon renewal registration for building contractor - residential (unrestricted)	Minimum 3 year experience in class 2-9 buildings of any size Automatic transfer upon renewal registration for building contractor - residential (unrestricted)

5.2. Option 2

The key features of Option 2 are:

- Commercial contractor level 2 covers works for class 2-9 buildings up to 3 storeys. This is an alternative to level 3 in Option 1. This means that building contractors undertaking fit-outs will be able to apply for or transition into this category.
- The qualification requirement for commercial contractor level 2 is a Certificate IV in Building and Construction and the qualification requirement for level 1 is a Diploma of Building and Construction (Building).
- A review of the qualifications for level 1 and 2 to be undertaken after 3 years to consider how these align to the National Registration Framework.

Option 2 Table of requirements

Sub-category	Residential	Commercial Level 2	Commercial Level 1
Scope of works	Class 1a, 1b and 10 Class 1a or 2 of one or 2 storeys Value of the work is \$12,000 or above	Commercial class 2-9 up to 3 storeys	Commercial class 2-9 of any size
Qualification	Certificate IV in Building and Construction	Certificate IV in Building and Construction	Diploma of Building and Construction (Building)
Experience	At least 3 years practical experience in carrying out the same building works and/or equivalent	At least 3 years practical experience in carrying out the same building works and/or equivalent	At least 3 years practical experience in carrying out the same building works and/or equivalent
Transitional Arrangements (Grandfathering)	Automatic transfer upon renewal registration for registered residential (restricted) building practitioners	Minimum 3 year experience in class 2-9 buildings up to 3 storeys Automatic transfer upon renewal registration for building contractor - residential (unrestricted)	Minimum 3 year experience in class 2-9 buildings of any size Automatic transfer upon renewal registration for building contractor - residential (unrestricted)

Questions for stakeholders:

- What is your preferred registration option and why?
- Should there be a specific commercial contractor category for fit-outs and alterations? If so, what should the qualification requirements be?
- Do you agree with the current residential contractor (unrestricted) transitioning to a commercial contractor category, which can include endorsements for residential building work?
- Do you think that the Certificate IV in Building and Construction is an appropriate level of qualifications for a commercial contractor undertaking works up to three storeys? If not, what qualifications do you consider appropriate?
- Do you think that a Diploma in Building and Construction is an appropriate level of qualification for a Level 1 commercial contractor undertaking works of any size? If not, what qualifications do you consider appropriate?

6. Feedback

Please send written responses to the questions presented or other feedback to bas.policy@nt.gov.au or fill out the online form at dipl.nt.gov.au/building-reform.



