



ACENZ
Representing consulting professionals
in the built and natural environment



ACENZ is open to companies or firms operating within New Zealand in the consulting or engineering space. Find out about membership online at www.acenz.org.nz

REGULATORY SYSTEMS (COMMERCIAL MATTERS) AMENDMENT BILL

SUBMISSION TO THE COMMERCE COMMITTEE

1 DECEMBER 2016

SUBMISSION

This submission is made on behalf of the Institution of Professional Engineers New Zealand (IPENZ) and the Association of Consulting Engineers of New Zealand (ACENZ) and our respective members. Further information about our organisations is presented at the end of this submission.

Many of our respective members work within or have an interest in the Construction Contracts Act 2002 and the Construction Contracts Amendment Act 2015. We have been concerned about the potential confusion regarding retentions on contracts that were entered into before the Construction Contracts Amendment Act 2015 was enacted.

We note and support clauses 137 and 138 of the Regulatory Systems (Commercial Matters) Amendment Bill. These clauses amend the Construction Contracts Act 2002 to explicitly state that retention provisions will only apply to construction contracts entered into after 31 March 2017, or contracts that were entered into earlier where they are renewed for a period after 31 March 2017. We believe this amendment will provide greater clarity about the retention requirements and certainty for all involved, particularly for contractors and consultants who will be able to consider the risk involved and include the associated costs in their tenders.

CONCLUSION

We appreciate the opportunity to make this submission. We are available to discuss and assist further, if needed, but we do not wish to appear before the Select Committee.

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ABOUT IPENZ

The Institution of Professional Engineers New Zealand (IPENZ) is the national professional body for engineering professionals. IPENZ has approximately 17,000 members, covering the spectrum of engineering professionals at all career stages, in all areas of engineering and operating throughout New Zealand and overseas.

In addition to being the professional body for New Zealand's engineers, we also accredit qualifications for professional engineers, engineering technologists and engineering technicians that meet the requirements of the Washington, Sydney and Dublin Accords respectively.

IPENZ is non-aligned and seeks to contribute to the community in matters of national interest giving a learned view on important issues, independent of any commercial interest.

ABOUT ACENZ

The Association of Consulting Engineers of New Zealand (ACENZ) represents the business services and advocacy for consulting professionals in the built and natural environment. ACENZ is a corporate based membership organisation with 180 member firms, representing over 10,500 individual staff. Our members span the entire country and range in size from sole practitioners to mega-firms employing more than 2,000 personnel.

ACENZ members represent \$1 billion dollars plus turnover per annum (total member firms) which translates to \$15-20 billion of capital plant and infrastructure. We are the trusted advisor to the public sector, member firms, and clients. We are committed to achieving 'public good' outcomes in association with its representation of member and industry interests. ACENZ is an active proponent of consistent and robust processes, documentation, and terms of engagement in the engineering and related consultancy industry.