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Press Statement 18 12 2017

Dear (name)

For your information, the NZRAB today issued the following press statement.

New Zealand Registered Architects Board

Press Statement

Date: 18 December 2017

For immediate use

Written contracts for architectural work to be compulsory

The New Zealand Registered Architects Board today announced that as of 1 January 2018, written contracts or “terms of appointment” will be mandatory between architects and their clients, without exception.

This new requirement will come into effect as a result of the Architect’s Code of Ethics having been revised (see the following, esp. clause 58A).

Currently verbal contracts are permitted, but from next year they will not be.

The revised Code of Ethics also specifies key aspects that, as a minimum, must be included in all contracts, these being the scope of the work, the responsibilities of the parties, the fees (or how they will be calculated), and how billing will occur.

Potentially, architects will be held to account under the NZRAB’s disciplinary procedures if they accept a commission without meeting this requirement, ie not having written terms of appointment as stipulated in the Architects’ Code of Ethics.

NZRAB Chair Warwick Bell commented: “Regularly the NZRAB is contacted by members of public in regard to building projects that have got into difficulty. Some of these calls result in formal complaints that lead to disciplinary proceedings. At the heart of many of these problems is the lack of, or the inadequacy of, a proper written contract or terms of appointment laying out what’s going to be done and what the parties are entitled to expect from each other.

“A chat and a handshake can lead to work being started where actually the parties have different expectations or understandings of what’s been agreed to. The result can be grief later on, and substantial losses and distress for clients and architects.

“The NZRAB intends that, by making written terms of appointment mandatory, many of these misunderstandings and disappointments will be avoided.

“Some architects will have to change the way they do their business, but in time it will be accepted that everyone is better off as a result,” Mr Bell concluded.

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The revised Architects' Code of Ethics follows, and the regulations that created them can be accessed [here](#).

**Code of minimum standards of ethical conduct for registered architects
(as in the Registered Architects Rules 2006, part 3, effective 1 January 2018)**

Rule 46. Uphold the law

A registered architect must abide by the laws and professional codes of ethics and conduct in force in the countries and jurisdictions in which the architect performs professional activities.

Rule 47. Honesty and fairness

A registered architect must perform the architect's professional activities with both—

- a) honesty; and
- b) fairness.

Rule 48. Professional judgement

A registered architect must exercise unprejudiced and unbiased professional judgement.

Rule 49. Skill, care, and diligence

(1) A registered architect must perform the architect's professional activities with reasonable skill, care, and diligence.

(2) A registered architect who becomes aware that the architect's professional advice has not been followed, and considers that a failure to follow that advice may lead to significant harm, damage, or financial loss, must advise the recipient of the advice of the potential consequences.

Rule 50. Obligations to report on risk

If a registered architect has reasonable grounds to believe that an architectural matter with which the architect is professionally involved could put the safety of any person at risk, the architect must bring the matter to the attention of the appropriate person or authority.

Rule 51. Misrepresentation

A registered architect must not represent or promote the architect's capability, business, or professional services and activities in a false, fraudulent, misleading, or deceptive manner.

Rule 52. Conflicts of interest

A registered architect must—

- a) avoid any significant conflict of interest; or
- b) manage any significant actual or potential conflict of interest and disclose it to all relevant parties.

Rule 53. Abuse of authority

A registered architect must not abuse the architect's professional authority.

Rule 54. Malicious criticism

A registered architect must not maliciously or in bad faith criticise or attempt to discredit another registered architect or another registered architect's practice.

Rule 55. Conflicts of professional appointment

If a registered architect, acting in the architect's own capacity or representing a practice, is approached to provide professional services in relation to a project, and the architect knows that another registered architect has a current agreement for services for that project, the architect must notify the other registered architect.

Rule 56. Remuneration and inducements

A registered architect, in respect of the architect's professional activities,—

- a) must be remunerated solely by the fees and benefits specified in the architect's written terms of appointment or employment agreement; and
- b) must not offer or accept any significant inducement that creates, or may create, a conflict of

interest; and

c) must not offer any significant inducement to procure an agreement for services or gain an unfair advantage.

Rule 57. Professional reputation

A registered architect must—

- a) build the architect's professional reputation on the merits of the architect's own performance; and
- b) acknowledge the contributions of others to projects where those contributions are significant.

Rule 58. Competence

A registered architect must—

- a) actively maintain the currency of the architectural knowledge and skills that are relevant to the architect's work; and
- b) perform only architectural work for which the architect is competent, or obtain appropriate support to ensure that the work is completed to a competent standard; and
- c) if the architect tasks others to do architectural work, ensure that their work is appropriately supervised so that the work is completed to a competent standard.

Rule 58A. Terms of appointment

(1) A registered architect must provide professional services only if—

- a) written terms of appointment appropriate to the commission or services to be undertaken have been provided; and
- b) the client, having agreed to the written terms of appointment, has provided an instruction to proceed.

(2) The written terms of appointment must cover—

- a) the scope of the work; and
- b) the allocation of responsibilities; and
- c) any limitation of responsibilities; and
- d) fees, or any methods for calculating fees; and
- e) how billing will occur.

Rule 58B. Client communication

A registered architect must—

- a) ensure that, where applicable, effective systems are in place during a commission to establish and monitor its quality, budget, cost estimates, and time line; and
- b) advise the client in a timely manner of any significant issues that arise, or are identified, at any time during the commission.

Rule 58C. Confidentiality

A registered architect must observe the confidentiality of their clients' affairs and must not disclose confidential information without the prior consent of the client unless required by law to do so.

Rule 58D. Registration status of others

A registered architect who owns, manages, or controls a practice must ensure that nothing is done by the practice that creates, or may create, the impression that an unregistered person working for the practice is a registered architect.