

bpb Building Practitioners Board
Te Poari Kaupapa Kaiwaihanga Whare

ANNUAL REPORT

2016



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ROLE AND FUNCTIONS OF THE BOARD

The Building Practitioners Board [the Board] is a statutory body constituted under Part 4 of the *Building Act 2004* [the Act]. It plays an important role in the Licensed Building Practitioners Scheme [the Scheme].

The functions of the Board are to:

- hear appeals against licensing decisions of the Registrar of Licensed Building Practitioners [LBPs]
- investigate and hear complaints about LBPs
- approve Rules for LBPs
- review and report to the Minister of Building and Housing [the Minister] each year on its operations.

The Board is independent of the Ministry of Business, Innovation and Employment [the Ministry], but is supported by the Ministry in the performance of its role and functions.

The Board is committed to supporting the capability of New Zealand's building and construction industry and maintaining building practitioner standards.

CHAIRMAN'S REVIEW

It has been a watershed year for the Board and the Ministry. We have faced a significant increase in the number of complaints and have needed to look closely at the Board's procedures to develop more efficient ways of getting through the workload.

The Board has four main statutory functions, being the hearing of licensing appeals, hearing of complaints, approving the competency rules and reporting to the Minister.

During the year, the Board handled approximately one licensing appeal per month, assisted the Ministry with a review of three licensing classes, and produced the Annual Report to the Minister, all within the agreed performance targets.

Currently there are:



24,151

people licensed for a total of **29,145** licences granted.

This is an increase of:



1,700

licences granted since **2014**.

The big game changer this year was the number of complaints processed by the Ministry and heard by the Board, with an increase of 71% and a total of 193 complaints being received. I am pleased to say that the Board was still able to meet its performance target in this area. No small part of this was down to the efforts of the Board members themselves along with Ministry staff, coupled with continued process improvements.

The Board has been able to hear most complaints as a committee of half of the Board members. Hearings have been assessed by level of complexity, which allows scheduling of usually a minimum of two hearings a day but as many as three or four. Changes have also been made to the way that information is presented to the Board as part of the continuous improvement process.

Given the increasing number of complaints, strong themes are starting to emerge in the types of complaints and the reasons for them.

The most dominant is the non-provision of the record of work (RoW) memorandum. These are being withheld either out of ignorance or in many cases as leverage in a commercial dispute, neither of which are valid reasons.

We are working with the Ministry to turn this around though education and to look at making this kind of offence one which can be classed as an infringement.

Undertaking work relating to general repair, maintenance and replacement¹ per Schedule One of the Building Act 2004 [the Act], is considered confusing to the industry at large. Further Ministry led targeted guidance in this area may well reduce the number of complaints that come to the Board.

Complaints about LPBs that bring the scheme into disrepute are increasing and, more specifically, the issuing of signed statements (supposed to give assurance that building work meets the Building Code) based on little or no factual basis are increasing. The Board takes this type of complaint very seriously.

There are also a number of complaints that highlight the breakdown in the relationship between an LBP and the consumer where the LBP is replaced and a complaint made. More diligence by LBPs in their dispute-resolution processes would assist them in avoiding complaints.

The Board is working through the sometimes difficult situation where the LBP has not been able to return to the job and fix issues or complete the work. These complaints, and the use of the complaints process by complainants, could be considered vexatious in some cases but the Board needs to balance the credibility of the scheme against the interests of the LBP as consumers often feel they have been wronged and want somebody [the Board] to at least hear their concerns.

The Board has not received as many complaints against designers despite industry noise about the quality of design work. We encourage those affected by poor design to make use of the complaints process.

There have been a number of precedent-setting decisions this year. The most significant being in relation to supervision where the Board includes both work covered by a building consent and non-consented work having taken into account Parliament's intention in the Act.

The Board has also decided that, while the Act states an LBP cannot supervise another LBP of the same licensing class, if another LBP [employer] instructs an LBP to undertake work a certain way, and that work is subject to a complaint which is upheld, then the instructing LBP can be held to have carried out building work in their own right. While this does not fully address the power imbalance that exists between an employer and employee (as not all employers are LBPs), it is making those in positions of authority more accountable. The Board is also working with the Ministry to look at ways of further redressing this power imbalance.

With respect to penalties handed down by the Board, the Board has, to date, taken the approach that the scheme is still relatively new and LBPs need the chance to fully understand their responsibilities. As such the penalties imposed have been at the lower end, but it is the Board's intention to increase these over the next year to make it clear that poor workmanship and behaviour will have its consequences. The time for leniency has ended.

It has been a challenging year and I would like to take the opportunity to thank all the Board members for their commitment of time and expertise, and also the management and team at the Ministry who have supported the Board in achieving its accountabilities, themselves coping with a significant increase in workload and implementing [willingly] changes to processes and procedures to make the whole scheme more efficient.

¹ Item 1 of Schedule One of the Building Act 2004 - <http://www.legislation.govt.nz/act/public/2004/0072/latest/whole.html#DLM5770963>

Chris Preston

Chris Preston
CHAIRMAN





A hand is visible on the left side of the page, pointing towards the left. The background is a solid blue color with a faint image of a wooden floor and a wall with two electrical outlets. The text is overlaid on the blue background.

OBJECTIVES AND OUTCOMES

2015–16

OBJECTIVES

The Board's 2015/16 Business Plan objectives follow:

RESPONSIBILITY CENTRE	TARGETS
Governance	<ul style="list-style-type: none"> • Agree Service Level Agreement with the Ministry by 30 June. • Review Accountability Agreement with the Minister and have in place as close to the commencement of the new financial year as practicable. • Complete draft Annual Report by 31 August. • Deliver Annual Report to the Minister by 31 October. • Review the frequency of Board meetings.
The Rules	<ul style="list-style-type: none"> • Review the Rules as required. • Maintain an overview of the performance of the Skills Maintenance regime.
Appeals	<ul style="list-style-type: none"> • Determine 90% of appeals within 85 working days of receipt of complete appeal. • Review the appeals process on an ongoing basis.
Complaints	<ul style="list-style-type: none"> • Determine 80% of complaints within 85 working days of the date of the hearing. • Review the complaints process on an ongoing basis.
Communications	<ul style="list-style-type: none"> • Assist the Ministry to develop and implement a Communications Strategy to: <ul style="list-style-type: none"> - Convey key messages, including issues arising from Board decisions. - Provide information on Board functions and purpose. - Provide access to all Board decisions in relation to appeals and complaints. - Provide access to all relevant licensing information. • Work with the Ministry to maintain the Licensed Building Practitioner website and other channels of communications • Establish a programme of inviting key external stakeholders to meet with the Board on a regular basis – six per year. • Invite internal stakeholders to Board meetings on a regular basis, including the Chief Executive. • Meet with the Minister at least once per year.
Training	<ul style="list-style-type: none"> • Each member complete at least four half-day training sessions per year.

GOVERNANCE

The Board met its targets in relation to governance.

The Board was successful in determining 80% of complaints within 4 months from referral to the Board. At year end the Board succeeded in hearing and/or determining 100% of complaints within the measure.

This is a significant achievement given the ongoing growth in complaints volumes during the financial year.

RULES

There were no formal amendments to the Licensed Building Practitioner Rules in 2015/16. However, policy work was completed during this period that will see the competencies for external plastering, brick and blocklaying and design being amended in late 2016.

The changes involved are generally of a technical nature and incorporate and new competencies relating to workplace safety. There is also an extension of scope to the external plastering² (proprietary plaster cladding system) area of practice.

A final round of consultation on the proposed amendments occurred over a four-week period, ending on 8 July 2016. Submissions were overwhelmingly in favour with the proposed amendments.

LBP SKILLS MAINTENANCE

The LBP scheme was established to make sure building practitioners have the right skills and knowledge needed to carry out or supervise restricted building work (RBW). Once licensed, it is an LBP's responsibility to ensure they continue to meet the minimum standard required to keep their licence. Maintaining these standards means keeping up to date with changes to industry practices and regulatory changes.

Although a formal rule change was not required in relation to LBP skills maintenance, significant changes were made to the way skills maintenance was completed.

On 2 November 2015, in consultation with Board, the Registrar announced changes to the current requirements for LBPs' skills maintenance obligations. The revised system incorporates a new 'mixed-model' approach where LBPs need to complete both compulsory and elective activities. This represents a move away from the entirely points-based system that has been in place since the scheme's inception.

The new scheme better recognises that ongoing education is vital to any well-functioning occupational scheme, as is being intelligence led; sharing lessons learnt from administering the LBP complaints function. It is a function of MBIE's Chief Executive under the Act³ to 'disseminate information and provide educational programmes on matters relating to building control'. So any learnings or themes arising from the LBP complaints are now fed back to practitioners through the Ministry's *Codewords*⁴ e-newsletter and the Building Research Association New Zealand's (BRANZ's) *Build* publication. This has proven to be a useful tool for disseminating information to LBPs, which will no doubt continue to be developed and refined over time.

APPEALS

The appeals process is available for building practitioners who want to question the Registrar's decision to decline an application to become licensed, or to suspend or cancel a licence pursuant to the Building Act 2004.

The Board's objectives were met in relation to appeals.

The building practitioner scheme has continued to mature over the 2015/16 period and now has a critical mass of some 24,866 LBPs. As licensing numbers have levelled out, applications for new licences have slowed from the historic highs in 2011 and 2012. The slowing up of the applications process has in turn seen the number of appeals reduce. It is likely licence number will again increase as the upsurge in construction continues. This point is further elaborated upon below.

Hearing outcomes are available online at: www.lbp.govt.nz/become-an-lbp/past-appeal-decisions

² Further information can be found at: www.business.govt.nz/lbp/the-board/news-and-updates/consultations/request-for-feedback-on-proposed-amendments

³ Section 11(e) and (f) of the Building Act.

⁴ *Codewords* can be found at: www.building.govt.nz/about-building-performance/news-and-updates/codewords/

Failing to provide a record of work once building work is complete,

which is in breach of sections 88 and 317(1)(da)(ii) of the Act. The Ministry and Board has sought to educate practitioners on their failings in this area, particularly as failure to supply the Record of Work can sometimes relate to an administrative oversight as opposed to a premeditated intention to mislead.

Poor understanding and application of site supervision.

On-going education is required so that practitioners properly understand their responsibilities with regard to supervision.

A high number of LBPs did not have a good grasp of the regulatory rules they are required to comply with.

There is also a significant level of misunderstanding with regard to individual responsibility and accountability. This normally comes down to LBPs failing to build in accordance with a building consent, or without a building consent, or an amended building consent, in breach of sections 40, 45A and 317(1)(d) of the Act.

Many complaints highlighted issues with contract administration & communication skills.

A contingent of LBPs are not good 'information seekers'.

There was a tendency to proceed with non-complying work even though there was some level of doubt over compliance with the consented plans and/or the Building Code.

COMPLAINTS

Anyone may complain to the Board about the particular conduct of a LBP as specified in the Act. Contractual disputes and other civil matters are outside of the Board's jurisdiction.⁵ The Board must investigate the complaint and determine whether or not to proceed to a hearing.

Complaints received for the financial year have increased 71% as building activity and consumer awareness about the complaints function increases. This is best illustrated in the graph below.

Over the past 20–30 years the building industry has experienced significant fluctuations in levels of demand. These fluctuations are particularly evident in the residential sector, are well acknowledged and are often referred to as 'boom and bust cycles'. New Zealand is currently riding the crest of an unprecedented boom in the building and construction sector. Spending on new housing and the associated infrastructure is predicted to reach and maintain an all-time high over the coming 3–5 years.

Across New Zealand, demand for construction-related occupations is projected to increase by 10% between 2015 and 2021, by approximately 49,000 employees to a total of 539,500.⁶

Auckland will have the largest construction workforce requirements, with just under 185,000 construction-related workers by 2021. Occupations that are expected to experience the largest levels of growth over the period include *project builders* [39%], *plumbers* [38%] and *carpenters and joiners* [34%].

While a thriving construction industry is good for the economy, the sector has historically struggled to maintain quality standards and acceptable levels of compliance during periods of elevated growth. It is well documented that when boom times occur they often lead to a dilution of onsite competency and an absence of adequate supervision occurring at all stages of the build process.

A further factor influencing productivity and compliance is the fact that many participants entering the sector are migrants who are not

always 'wired' or conditioned to achieve compliance in New Zealand's performance-based regulatory setting. Once part of the workforce, it takes a period of time for new entrants to gain an adequate understanding of New Zealand's 'regulatory settings' and methods of construction. English is often a second language for many of those who join the ranks of the construction workforce, particularly when it comes to filling many of the unskilled or semi-skilled roles within the sector.

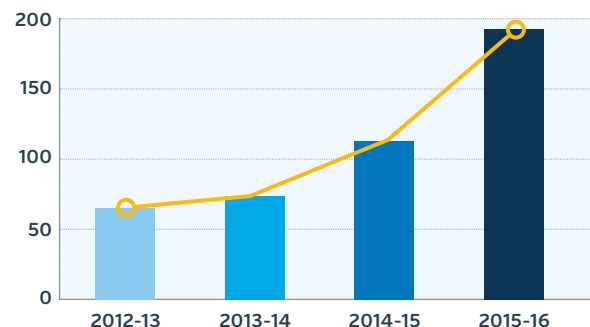
The above-noted factors place significant demands on labour supply and delivery of consistently high-quality buildings to market. These factors also influence the number of complaints the Board has to consider.

Significant growth in both the number of complaints and hearings has led to some operational challenges for the scheme. However, the Board, along with Ministry, are continually refining their processes and procedures to ensure backlogs or spikes in demand are dealt with as soon as they arise.

Changes to some of the current statutory 'settings' in Law seem likely given a significant percentage of complaints considered by the Board relate to largely misdemeanour offences, such as non-supply of a record of work (RoW). Policy work is in progress to further assess the possibility of this type of offence being dealt with by way of an infringement notice. Given non-production of a RoW is a strict liability offence it could be argued it is a prime candidate for consideration, particularly when dealing with first time offenders whose only transgression (on occasion) can relate to an administrative oversight.

Complaints received in previous four years

Complaints received/Board inquiries initiated⁷



⁵ s317 of the Building Act 2004 provides grounds for discipline.

⁶ Future Demand for Construction Workers report 2016 <http://www.mbie.govt.nz/publications-research/research/construction-sector-productivity/future-demand-for-construction-workers.pdf>

⁷ Excludes complaints referred to another body, outside of Board's jurisdiction or cancelled at early stages.

Though the complaints function has been in place since the scheme's inception in 2007, it is only since the introduction of Restricted Building Work (RBW) in March 2012 that certain complaints-related trends have emerged or become evident. Where a trend is identified the Board has sought to work with Ministry officials to educate the sector in order to avoid unnecessary complaints entering the system. As mentioned earlier these learnings are most commonly shared with the LBP population through the Ministry's *Codewords* e-newsletter, which goes out to over 30,000 practitioners and other professionals work in the building sector.

As commented earlier some of the more notable complaints themes include:

- Failing to provide a RoW once building work is complete, which is in breach of sections 88 and 317(1)(a)(ii) of the Act. The Ministry and Board has sought to educate practitioners on their failings in this area, particularly as failure to supply the RoW can sometimes relate to an administrative oversight as opposed to a premeditated intention to mislead.
- A power imbalance can exist between an employer and employee that can lead to LBPs being held to account for following an employer's direction. On a number of occasions the Board has dealt with a complaint relating to non-compliance with the Building Code or Act where the LBP has directly been led astray by their employer.
- Poor understanding and application of site supervision. As above, ongoing education is required so that practitioners properly understand their responsibilities with regard to supervision. The Board has sought to clarify its position on supervision, and in a recent decision⁸ the Board provided some guidance on what adequate supervision might look like.
- A high number of LBPs did not have a good grasp of the regulatory rules they are required to comply with. There is also a significant level of misunderstanding with regard to individual responsibility and accountability. This normally comes down to LBPs failing to build in accordance

with a building consent, or without a building consent, or an amended building consent, in breach of sections 40, 45A and 317(1)(d) of the Act.

- Many complaints highlighted issues with contract administration and communication skills.

It has also become apparent that a large contingent of LBPs are not good 'information seekers'. That is, the Board noted a tendency to proceed with non-complying work even though there was some level of doubt regarding compliance with the consented plans and/or the Building Code.

Complaint hearing outcomes are available online at: www.lbp.govt.nz/complaints-and-past-decisions/past-complaint-decisions

COMMUNICATIONS

The Board has worked hard over the past year with the Ministry to lift awareness of the scheme both for consumers and LBPs participating in the scheme.

The main channel for conveying key messages arising from Board decisions has been through the Ministry's e-newsletter *Codewords* (www.building.govt.nz/codewords-index), which is sent out to 30,000 practitioners approximately eight times a year.

Other methods or platforms for communicating LBP messaging include:

- Regularly contributing to a number of sector publications that feature articles on the LBP scheme.
- Contributing to Ministry publications and LBP guidance documents.
- Conveying learnings via the dedicated LBP website (www.lbp.govt.nz/).
- Circulation of mass emails to the LBP database (some 19,600 LBPs), which typically occurs every 3–6 months and is a 'reactive tool' used to educate LBPs on matters of non-compliance observed by the Board.
- Attending and presenting at a range of building industry related events and conferences in conjunction with the Registrar of Licensed Building Practitioners.

⁸ C2-01143 provides guidance round site supervision under the header 'level of supervision' at this link: www.business.govt.nz/lbp/complaints/view-past-complaint-decisions/decisions/bpb-complaint-no.-c2-01143-substantive/C2-01143%20Redacted%20Substantive%20Decision.pdf

- Issuing media releases concerning notable LBP disciplinary decisions issued by the Board.
- Radio and other media interface (normally undertaken by the Registrar as the primary external-facing spokesperson for the scheme).

The Ministry maintains a register of LBPs so that members of the public can check the licensing status of any LBP in the scheme. The Ministry's service centre also provides a range of services to support public and consumer awareness as well as answering many and varied licensing questions from practitioners.

All complaints, disciplinary decisions and appeals decisions are available on the LBP website and can be accessed using the sites recently enhanced and upgraded search tool.

The current suite of the Board's policies and procedures concerning complaints and appeals are posted on the LBP website.

TRAINING AND PROFESSIONAL DEVELOPMENT

All Board members took part in a one-day complaint workshop to amend the complaints process and further hone members' skills in relation to hearing complaints. Three members took part in an additional one-day complaint workshop.

Three members attended a two-day New Zealand Building and Construction Law Conference.

Two members attended a half-day training with the New Zealand Law Society on legislation interpretation.

Two members attended a two-day Certified Builders Annual Conference.

A number of external stakeholders attended Board meetings:

- The Registered Architects Board attended to discuss a high-level occupational licensing review currently under way.
- The Architectural Designers New Zealand attended to discuss matters relating to the LBP design class.

- Three Territorial Authorities (Council Building Control personnel) attended to share experiences and observations in relation to the LBP scheme and the complaints function – Tauranga City Council, Auckland City Council and Tasman District Council.

One member attended pre-hearing training.

The Board's one new member completed a comprehensive induction programme, in accordance with Board policy.



STATEMENT OF

**SERVICE
PERFORMANCE**

Performance measures and standards for the outputs of the Board for the year ended 30 June 2016.

OUTPUT	PERFORMANCE MEASURE	PERFORMANCE STANDARD ACHIEVED
GOVERNANCE		
1. Self-review Undertake self-review of Board performance.	Board self-review to be completed by 31 October.	Achieved.
2. Board members' Interests Register Register of Board members' interests in place.	Board members' Interests Register reviewed and updated at the start of each Board meeting. Other possible conflicts of interest recorded in minutes.	Achieved. Board members' disclosures of interest were reviewed and updated at the start of each Board meeting. Conflicts of interest were recorded in Board meeting minutes.
3. Training and professional development Provide training and professional development for Board Members in performance of functions.	Undertake at least four half days training per annum for Board members, collective or individual, on appropriate subject matter.	Achieved.
SERVICE DELIVERY		
4. Licensed Building Practitioners Rules 2007 Approve Licensed Building Practitioners Rules relating to licensed building practitioners.	Approve or decline all proposed rules within 15 working days of receipt from the Ministry.	No amendments were made in the 2015/16 year.
5. Complaints Investigate complaints, hear complaints and discipline LBPs in accordance with Regulations.	Determine 80% of complaints within 85 working days of the date of the hearing. Annual Report to contain: Active complaints <ul style="list-style-type: none"> • Complaints carried forward from previous year • Complaints received • Total active complaints Complaints in progress at year end <ul style="list-style-type: none"> • Complaints under investigation • Complaints awaiting hearing or final decision • Total complaints carried forward to next year Complaints considered by Board <ul style="list-style-type: none"> • Complaints which did not proceed to hearing • Complaints heard, determined and upheld • Complaints heard, determined and not upheld • Total complaints closed during year LBPs disciplined by license class	100% of complaints were determined within 85 working days of the date of the hearing. Complaints figures are contained in the Annual Report.

OUTPUT	PERFORMANCE MEASURE	PERFORMANCE STANDARD ACHIEVED
6. Appeals Hear appeals against decisions of the Registrar.	Determine 90% of appeals within 85 working days of receipt of complete appeal. Annual Report to contain: Active appeals carried forward from previous year <ul style="list-style-type: none"> • Appeals received • Total active appeals Appeals in progress at year end <ul style="list-style-type: none"> • Appeals awaiting Board consideration • Appeals awaiting hearing or final decision • Total appeals carried forward to next year Appeals considered by Board <ul style="list-style-type: none"> • Appeals which did not proceed to hearing • Appeals heard, determined and upheld • Appeals heard, determined and not upheld • Total appeals closed during year 	Achieved. 95% of appeals were determined within 6 months of receipt of a complete appeal. Appeals figures are contained in the Annual Report.
7. Accountability Produce Annual Report in accordance with section 347 of the Building Act	Provide Annual Report to the Minister by 31 October.	Achieved.
8. Occupational licensing review	Provide information and support to the Ministry of Business, Innovation and Employment officials to facilitate the review of occupational licensing.	The occupational licensing review is still in progress. The Ministry will seek input from the Board in due course.



Chris Preston
Chairman



Richard Merrifield
Deputy Chairman

13 September, 2016



A hand in a white shirt sleeve points at a tablet displaying a bar chart. The background features a calculator, a line graph with three series labeled 'Group A', 'Group B', and 'Group C', and a level. The entire scene is overlaid with a semi-transparent green filter. The word 'STATISTICS' is centered in a white box with a drop shadow.

STATISTICS

LICENSING STATISTICS

TOTAL NUMBER OF LBPS AND LICENCES

At 30 June 2016, 24,866 individual LBPs were licensed with a total of 29,867 licences issued. Some LBPs hold more than one licence.

TOTAL NUMBER OF LICENCES BY LICENSING CLASS – PREVIOUS 3 YEARS

	CARPENTRY	SITE	DESIGN	EXTERNAL PLASTERING	BRICKLAYING AND BLOCKLAYING	FOUNDATIONS	ROOFING	TOTAL
At 30 June 2014	18,714	5,151	2,087	485	900	273	1,112	28,722
At 30 June 2015	19,077	5,108	2,162	462	907	276	1,153	29,145
At 30 June 2016	19,614	5,055	2,253	479	943	296	1,227	29,867

APPEALS STATISTICS

APPEALS ACTIVITY SUMMARY – PREVIOUS THREE YEARS

The table below details appeals activity for the previous three years.

	2013/14	2014/15	2015/16
CARRIED FORWARD/RECEIVED			
Appeals carried forward from previous year	31	10	9
Appeals received	35	29	17
Total	66	39	26
DETERMINED			
Appeals which did not proceed to hearing	15	8	0
Hearings held	41	22	21
Total⁹	56	30	21
IN PROGRESS AT YEAR END			
Appeals awaiting Board consideration	5	4	N/A ¹⁰
Appeals awaiting hearing or decision	5	5	6
Total	10	9	6

PERFORMANCE MEASURES SUMMARY

MEASURE

Hear and/or determine 90% of appeals within 85 working days of receipt of complete appeal.

PERFORMANCE

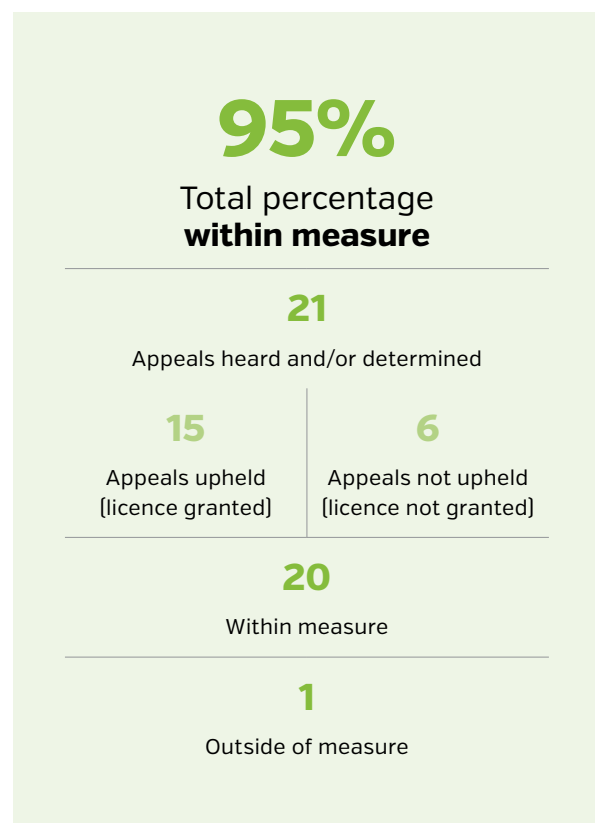
95% of appeals were heard and/or determined within 85 working days of receipt for the 2015/16 year.

There were 17 appeal applications received for the 2015/16 year, 0.9% of the total number of licence applications. This was again a lower percentage compared to previous years reflecting a more robust and detailed assessment and licensing process.

The Board and Ministry continue to work on improving the appeals process and have decided to tighten the performance measure for the coming year by reducing the target time to hear an appeal.

⁹ Includes appeals withdrawn.

¹⁰ The Board no longer considers an appeal to decide if it will go to hearing, all appeals proceed directly to hearing.



COMPLAINTS STATISTICS

Any person may complain to the Board about the conduct of a licensed building practitioner in accordance with the Building Practitioners [Complaints and Disciplinary Procedures] Regulations 2008.

The Board may initiate an inquiry into matters about the conduct of a licensed building practitioner raised by its own inquiries or raised after a complainant decides not to proceed with a complaint and submits a withdrawal.

COMPLAINT/BOARD INQUIRY ACTIVITY SUMMARY – PREVIOUS 3 YEARS

The table below details complaint and Board inquiry activity for the previous three years.

	2013/14	2014/15	2015/16
CARRIED FORWARD/RECEIVED			
Complaints/Board inquiries carried forward from previous year	48	64 ¹¹	102
Complaints received ¹² /Board inquiries initiated	74	113	193
Total	122	177	295
INVESTIGATED/HEARD			
Complaints/Board inquiries investigated	48	74	204
Complaints/Board inquiries heard	18	46	101
DETERMINED			
Complaints withdrawn	- ¹³	2	5
Complaints Board determined not to proceed to hearing	- ¹³	26	59
Complaints/Board inquiries determined following hearing	10	47	97
Total	40	75	161
LBP DISCIPLINED			
LBP disciplined	6	35	80
IN PROGRESS AT YEAR END			
Complaints/Board inquiries under investigation	- ¹³	- ¹³	56
Complaints awaiting Board decision on whether to proceed to hearing and Complaints/Board inquiries awaiting hearing or final hearing decision	- ¹³	- ¹³	78
Total	63	102	134

¹¹ Includes one complaint which was not included in the 2013/14 "Complaints carried forward into next year" figure, as it was under appeal to the District Court.

¹² Excludes complaints referred to another body, outside of Board's jurisdiction or cancelled at early stages.

¹³ Data not previously recorded in system.

PERFORMANCE MEASURES SUMMARY

MEASURE

Hear and/or determine 80% of complaints within 85 working days of the date of the hearing.

PERFORMANCE

100% of complaints/Board inquiries were determined within 85 working days of the date of the hearing for the 2015/16 year. As mentioned earlier, the 2015/16 financial year has seen LBP complaints increase by 71%, which represents significant growth indicating greater consumer awareness of the LBP complaints function coupled with increased residential construction activity.

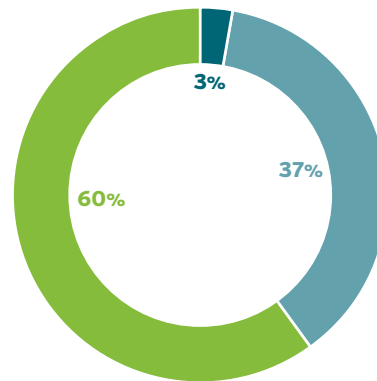
The table below details the number of complaints/Board inquiries determined within the Board's performance measure of 85 working days of the date of the hearing.



COMPLAINTS/BOARD INQUIRIES DETERMINED

The table below details complaints/Board inquiries determined by the Board in 2015/16.

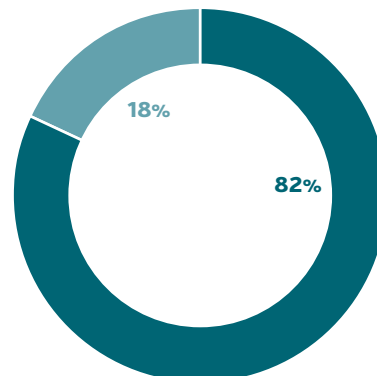
COMPLAINTS DETERMINED	NUMBER OF COMPLAINTS
Withdrawn	5
Did not proceed to a hearing	59
Determined following hearing	97
TOTAL	161



COMPLAINT/BOARD INQUIRY HEARING OUTCOMES

The below details complaint/Board inquiry hearing outcomes for 2015/16.

HEARING OUTCOMES	NUMBER OF HEARINGS
Complaints/Board inquiries upheld (LBPs disciplined)	80
Complaints/Board inquiries not upheld (LBPs not disciplined)	17
TOTAL	97



LBPs DISCIPLINED

80 [82%] of the total complaints/Board inquiries determined in 2015/16 were upheld. 17 [18%] of the complaints/Board inquiries heard by the Board were not upheld.

LBPs DISCIPLINED IN 2015/16 – BY LICENCE CLASS

The table below details the licence classes held by LBPs who were disciplined.

When compared with the total number of licences held, the proportion of licence holders disciplined closely reflects that proportion.

The LBP scheme is a complex occupational licensing model as it has seven separate licence classes – six that are trade-related, and one which deals with the design of certain residential buildings. Moving forward, the challenge for Ministry, the Board and the sector is to lift the current levels of qualified entrants and work towards drawing a legislative ‘line in the sand’ for it to become an explicit requirement to hold a trade or design-related qualification to enter the scheme. This will be an important step in the scheme’s development and maturity.

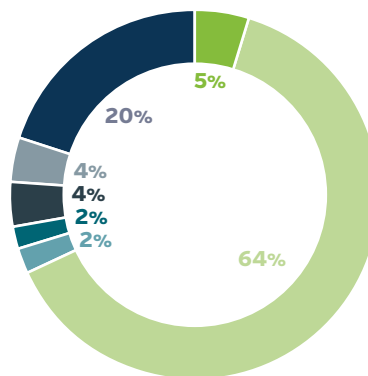
LICENCE CLASS	NUMBER OF LBPs
Bricklaying & Blocklaying	5
Carpentry	69
Design	2
External Plastering	2
Foundations	4
Roofing	4
Site	22
	108

Note: Some LBPs hold licences in more than one class.

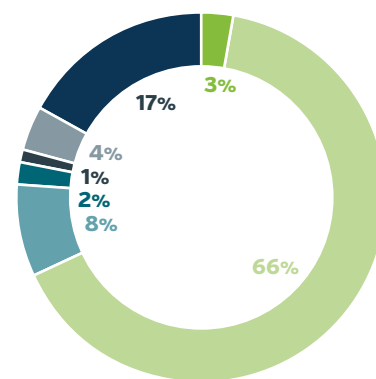
KEY

■	Bricklaying & Blocklaying
■	Carpentry
■	Design
■	External Plastering
■	Foundations
■	Roofing
■	Site

PERCENTAGE OF LBPs DISCIPLINED IN 2015/16



TOTAL PERCENTAGE LBPs IN SCHEME



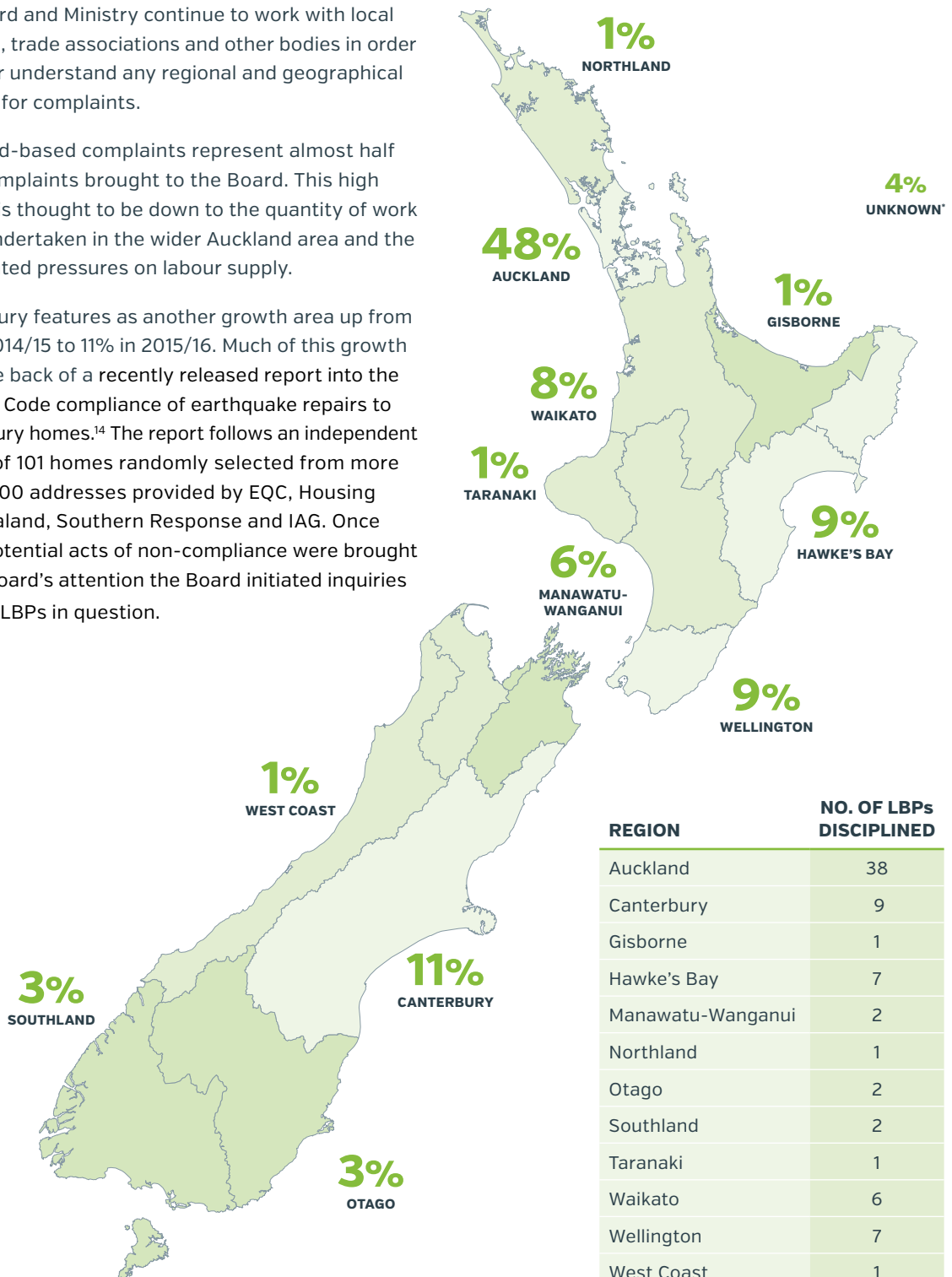
LBP's DISCIPLINED IN 2015/16 – BY REGION

The information below details the regions disciplined LBP's reside in.

The Board and Ministry continue to work with local Councils, trade associations and other bodies in order to better understand any regional and geographical triggers for complaints.

Auckland-based complaints represent almost half of all complaints brought to the Board. This high volume is thought to be down to the quantity of work being undertaken in the wider Auckland area and the interrelated pressures on labour supply.

Canterbury features as another growth area up from 6% in 2014/15 to 11% in 2015/16. Much of this growth is off the back of a recently released report into the Building Code compliance of earthquake repairs to Canterbury homes.¹⁴ The report follows an independent survey of 101 homes randomly selected from more than 2,700 addresses provided by EQC, Housing New Zealand, Southern Response and IAG. Once these potential acts of non-compliance were brought to the Board's attention the Board initiated inquiries into the LBP's in question.



REGION	NO. OF LBP'S DISCIPLINED
Auckland	38
Canterbury	9
Gisborne	1
Hawke's Bay	7
Manawatu-Wanganui	2
Northland	1
Otago	2
Southland	2
Taranaki	1
Waikato	6
Wellington	7
West Coast	1
Unknown*	3
Total	80

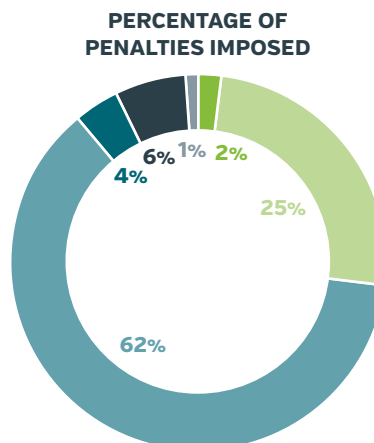
14 'The Cedar Report' www.mbie.govt.nz/about/whats-happening/news/document-image-library/home-inspection-survey-report.pdf
 *Data not captured

*Data not captured

LBP^s DISCIPLINED IN 2015/16 – BY PENALTY

89 penalties were imposed for 80 upheld complaints against LBPs in 2015/16. Note a complaint may have more than one penalty imposed.

PENALTY TYPE	NUMBER OF PENALTIES IMPOSED
Licence cancelled	2
Censured	22
Fined	55
Name published	4 ¹⁵
Licence suspended	5
Training ordered	1



Costs were imposed for
79 of the 80
[99%]
 complaints upheld against
 LBPs in 2015/16.

¹⁵ Media releases are posted on the Ministry's website. This relates to complaints where the Board has elected to publicly name an LBP in accordance with section 318 of the Building Act 2004. Link: <http://www.mbie.govt.nz/news-and-media>

The background of the page is a warm, yellow-toned image. It features a blurred financial report with various numbers and currency symbols like '\$350.00', '\$550.00', '\$90.00', '\$40.00', '\$50.00', '\$30.00', and '\$20.00'. A silver pen is positioned diagonally across the lower right portion of the report. In the upper left corner, a portion of a pie chart is visible, showing segments in green, red, and orange. The overall aesthetic is professional and financial.

STATEMENT OF FINANCIAL PERFORMANCE

The Board is a statutory Board created by the provisions of the Building Act 2004. The Board's revenue and expenses are managed by the Ministry, as such no financial data is provided in this report.

MEMBERS OF THE BOARD





CHRIS PRESTON CHAIRMAN

Mr Preston is self-employed as a dispute resolution professional, undertaking a range of residential disputes and advisory work. Clients include homeowners, contractors and builders. He was previously CEO of the Registered Master Builders Federation and acting CEO of BRANZ on two occasions. He is a Director of Master Build Services.

Mr Preston has a Bachelor of Commerce and a postgraduate diploma in dispute resolution from Massey University. He is an Associate of the Arbitrators' and Mediators' Institute of New Zealand and has undertaken the Institute of Directors course in governance.

Mr Preston has a keen interest in the community having been on the local Community Board and currently on the local Business Association.

Mr Preston was appointed in 2013 and is from Hanmer Springs. Mr Preston's current term expires in 2016.

RICHARD MERRIFIELD DEPUTY CHAIRMAN

Mr Merrifield is a trade certified carpenter, and has been a licensed building practitioner (LBP) since June 2008. He has over 40 years' experience in the building industry, and has operated his own business since 1989.

Mr Merrifield has held a number of industry-related board and working group appointments, and has been a board member, Chair and Past Chair of the Certified Builders Association of New Zealand (CBANZ). He has also held governance roles with the Building Research Association of New Zealand (BRANZ).

Mr Merrifield was appointed in 2012, and is from Upper Moutere. His term expires in 2017.





ROBIN DUNLOP

Dr Dunlop consults and advises on management and transport issues. He has been involved in the transport sector for over 30 years, covering strategic direction, funding, organisational form, asset management and research. Dr Dunlop is currently developing and strengthening a number of commercial buildings and a church.

Dr Dunlop has a BE (Hons) in Civil Engineering and a PhD in Civil Engineering. He is Chairman of the Engineering Associates Registration Board, Chairman of the Institute of Professional Engineers Heritage Board and Chairman of Destination Wairarapa. He is also the Director of four private companies and a trustee on a charitable forestry trust. He was previously CEO/Secretary of Transport in NZ and CEO of Transit NZ.

Dr Dunlop is from the Wairarapa and was appointed in 2014. His term expires in 2017.

DIANNE JOHNSON

Ms Johnson is Managing Director of Capital Improvements Ltd, which undertakes building surveyor consultancy services throughout New Zealand.

Ms Johnson holds a NZ Certificate in Draughting [Architectural] and Graduate Diploma in Business Studies [Dispute Resolution]. She has previously held executive roles with the NZ Institute of Building Surveyors, and is a current member of National Association of Women in Construction, an Associate Member of LEADR and a dispute resolution panel member for both RICS and Fairway Resolution.

Ms Johnson was appointed in 2011 and is from Petone. Her term expires in 2017.



BOB MONTEITH

Mr Monteith is a NZ Certificate in Building qualified builder and a Licensed Building Practitioner (LBP) who has 47 years' experience in the building industry. He is Managing Director of Monteith Construction Limited and Monteith Rural Construction Limited.

Bob has held numerous industry-related working group appointments. He is a current member of a Ministry of Business, Innovation and Employment Building Advisory Panel. He has been a Board member of the Certified Builders Association of New Zealand (CBANZ) for seven years, three of those years as Chairman.

Mr Monteith was appointed in 2015 and is from Kuratau, near Turangi. His term expires in 2017.



BRIAN NIGHTINGALE

Mr Nightingale, a Registered Construction Manager and Registered Quantity Surveyor, is a director of both Building and Construction Services Ltd, which provides consultancy services to the construction industry, and Christchurch-based construction company, Leighs Construction Ltd.

He has previously held a number of building-related board appointments, including Director of Registered Master Builders Federation, Member of Eden Park Redevelopment Board, President of Wellington Master Builders Association and General Manager of McKee Fehl Constructors Ltd.

Mr Nightingale was appointed in 2010 and is from Lower Hutt. His term expires in 2017.

MEL ORANGE

Mr Orange is a self-employed barrister and solicitor and business consultant undertaking a range of commercial and project work in the construction and utility sectors. He sits on a number of private boards.

Mr Orange is the Deputy Presiding Member of the Electrical Workers Registration Board and has held a number of other statutory governance positions and senior management positions in the energy industry.

Mr Orange was appointed in 2013 and is from Christchurch. His term expires in 2016.



CATHERINE TAYLOR

Ms Taylor is a Chartered Accountant and former Chief Executive of Maritime New Zealand with extensive knowledge of regulatory systems and processes.

Ms Taylor is currently Chair of the Life Flight Trust, a Director of Nelson Airport Limited and a Member of the Biosecurity Ministerial Advisory Committee. Formerly she held positions as Director of the New Zealand Institute for Crop and Food Research Limited (including Chair of the Audit and Risk Committee) and Director of the Civil Aviation Authority.

She has held positions as Trustee/Director of Ambulance New Zealand; The Aviation, Tourism and Travel Training Organisation and Diabetes New Zealand.

Ms Taylor is from Nelson and was appointed in 2013. Her current term expires in 2017.







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