

## Before the Building Practitioners Board

	BPB Complaint No. CB26051
Licensed Building Practitioner:	Joseph Jerome (the Respondent)
Licence Number:	BP 107053
Licence(s) Held:	Carpentry

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### Decision of the Board in Respect of the Conduct of a Licensed Building Practitioner

#### Under section 315 of the Building Act 2004

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Complaint or Board Inquiry	Complaint
Hearing Type:	On the Papers
Hearing and Draft Decision Date:	9 November 2022
Final Decision Date:	9 January 2023

#### Board Members Present:

Mr M Orange, Chair, Barrister (Presiding)  
Mrs F Pearson-Green, LBP, Design AOP 2  
Ms J Clark, Barrister and Solicitor, Legal Member  
Mr G Anderson, LBP, Carpentry and Site AoP 2

#### Procedure:

The matter was considered by the Building Practitioners Board (the Board) under the provisions of Part 4 of the Building Act 2004 (the Act), the Building Practitioners (Complaints and Disciplinary Procedures) Regulations 2008 (the Complaints Regulations) and the Board's Complaints and Inquiry Procedures.

#### Disciplinary Finding:

The Respondent **has** committed a disciplinary offence under section 317(1)(da)(ii) of the Act.

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## Summary of the Board’s Final Decision

[1] The Respondent failed to provide a record of work on completion of restricted building work. He is fined \$1,500 and ordered to pay costs of \$500. The disciplinary finding will be recorded on the public Register for a period of three years.

## The Board

[2] The Board is a statutory body established under the Building Act.<sup>1</sup> Its functions include receiving, investigating, and hearing complaints about, and to inquire into the conduct of, and discipline, licensed building practitioners in accordance with subpart 2 of the Act. It does not have any power to deal with or resolve disputes.

## The Charges

[3] On 9 November 2022, the Board received a Registrar’s Report in respect of a complaint about the conduct of the Respondent.

[4] Under regulation 10 of the Complaints Regulations, the Board must, on receipt of the Registrar’s Report, decide whether to proceed no further with the complaint because regulation 9 of the Complaints Regulations applies.

[5] Having received the report, the Board decided that regulation 9 did not apply. Under regulation 10 the Board is required to hold a hearing.

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<sup>1</sup> Section 341 of the Act.

- [6] The Board’s jurisdiction is that of an inquiry. Complaints are not prosecuted before the Board. Rather, it is for the Board to carry out any further investigation that it considers is necessary prior to it making a decision. In this respect, the Act provides that the Board may regulate its own procedures<sup>2</sup>. It has what is described as a summary jurisdiction in that the Board has a degree of flexibility in how it deals with matters; it retains an inherent jurisdiction beyond that set out in the enabling legislation<sup>3</sup>. As such, it may depart from its normal procedures if it considers doing so would achieve the purposes of the Act, and it is not contrary to the interests of natural justice to do so.
- [7] In this instance, the Board decided that a formal hearing was not necessary. The Board considered that there was sufficient evidence before it to allow it to make a decision on the papers.
- [8] The Board did, however, note that there may be further evidence in the possession of persons involved in the matter or that the Board may not have interpreted the evidence correctly. To that end, it issued a draft Board decision. The Respondent and/or Complainant were provided with an opportunity to comment on the Board’s draft findings and to present further evidence prior to the Board making a final decision. If the Board directed, or the Respondent requested an in-person hearing, then the Board advised that one would be scheduled.

#### **Disciplinary Offences Under Consideration**

- [9] On the basis of the Registrar’s Report, the Respondent’s conduct that the Board resolved to investigate was that the Respondent had failed, without good reason, in respect of a building consent that relates to restricted building work that he or she is to carry out (other than as an owner-builder) or supervise, or has carried out (other than as an owner-builder) or supervised, (as the case may be), to provide the persons specified in section 88(2) with a record of work, on completion of the restricted building work, in accordance with section 88(1) (s 317(1)(da)(ii) of the Act).

#### **Function of Disciplinary Action**

- [10] The common understanding of the purpose of professional discipline is to uphold the integrity of the profession. The focus is not punishment, but the protection of the public, the maintenance of public confidence and the enforcement of high standards of propriety and professional conduct. Those purposes were recently reiterated by the Supreme Court of the United Kingdom in *R v Institute of Chartered Accountants in England and Wales*<sup>4</sup> and in New Zealand in *Dentice v Valuers Registration Board*<sup>5</sup>.

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<sup>2</sup> Clause 27 of Schedule 3

<sup>3</sup> *Castles v Standards Committee No.* [2013] NZHC 2289, *Orlov v National Standards Committee 1* [2013] NZHC 1955

<sup>4</sup> *R v Institute of Chartered Accountants in England and Wales* [2011] UKSC 1, 19 January 2011.

<sup>5</sup> [1992] 1 NZLR 720 at p 724

- [11] Disciplinary action under the Act is not designed to redress issues or disputes between a complainant and a respondent. In *McLanahan and Tan v The New Zealand Registered Architects Board*,<sup>6</sup> Collins J. noted that:

*“... the disciplinary process does not exist to appease those who are dissatisfied ... . The disciplinary process ... exists to ensure professional standards are maintained in order to protect clients, the profession and the broader community.”*

### **Evidence**

- [12] The Board must be satisfied on the balance of probabilities that the disciplinary offences alleged have been committed<sup>7</sup>. Under section 322 of the Act, the Board has relaxed rules of evidence that allow it to receive evidence that may not be admissible in a court of law.
- [13] The Respondent was engaged to carry out building work on a new residential build under a building consent. The building work included restricted building work for which a record of work must be provided on completion. The Respondent’s building work started on or about 12 January 2018. The person who originally contracted for the work passed away soon after the start date. The Complainant then purchased the property and looked to resume the project. At the time of purchase, the Complainant reported that the building was up to the framing stage.
- [14] The Complainant’s evidence was that the Respondent was invited to return and continue with the building work after he purchased the property but that the Respondent declined the offer. Evidence was provided of the interactions between the Complainant and Respondent as regards continuing the build. Those negotiations came to an end in or about May 2021.
- [15] The Complainant also provided evidence of various attempts made to obtain a record of work from the Respondent for the restricted building work that he had carried out. Those attempts started on or about 20 June 2022 and continued through until 30 June 2022. Various methods of contacting the Respondent were used, including phone calls, texts and emails. A complaint was made on 1 July 2022. The complaint noted that the Complainant needed a record of work that covered foundations.
- [16] In response to the complaint, the Respondent acknowledged he had been asked for a record of work but stated that he did not refuse. Rather, he stated he had advised the Complainant that he would provide one by 1 July 2022. He also noted that aspects of the build had been demolished and rebuilt and that he did not know what aspects of his restricted building work remained. As such, he provided a record of

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<sup>6</sup> [2016] HZHC 2276 at para 164

<sup>7</sup> *Z v Dental Complaints Assessment Committee* [2009] 1 NZLR 1

work that only covered foundations. There was no evidence provided of any efforts made by the Respondent to ascertain what of his work remained.

- [17] A record of work dated 1 July 2022 was then provided to the Complainant (the owner) on 4 July and to the Territorial Authority on 7 July 2022. The record of work only covered foundations.

#### **Further Evidence and Submissions Received**

- [18] Following the Board issuing a Draft Decision, it received a submission from the Respondent. He outlined that he had been approached by the new builder to assist as a labour-only contractor, but that he had declined. The Respondent also reiterated the submissions he had made when he made his initial response to the complaint. In summary, that submission was that there were no reasons for him to hold back his record of work and that after being requested to provide one in 2022, he needed time to determine what he should provide a record of work for and that he was not in a position to immediately provide one because of work commitments and a lack of access to an internet connection.
- [19] The Respondent did not seek an in person hearing, and the board did not consider that one was necessary.
- [20] The Board took the further evidence and submissions into account when making this Final Decision.

#### **Board's Conclusion and Reasoning**

- [21] The Board has decided that the Respondent **has** failed, without good reason, in respect of a building consent that relates to restricted building work that he or she is to carry out (other than as an owner-builder) or supervise, or has carried out (other than as an owner-builder) or supervised, (as the case may be), to provide the persons specified in section 88(2) with a record of work, on completion of the restricted building work, in accordance with section 88(1) (s 317(1)(da)(ii) of the Act) and **should** be disciplined.
- [22] The further evidence received and submissions made by the Respondent did not result in any changes being made to the Board's Draft Decision.
- [23] As noted in the Draft Decision, there is a statutory requirement under section 88(1) of the Building Act 2004 for a licensed building practitioner to provide a record of work to the owner and the territorial authority on the completion of restricted building work<sup>8</sup>.
- [24] Failing to provide a record of work is a ground for discipline under section 317(1)(da)(ii) of the Act. In order to find that ground for discipline proven, the Board need only consider whether the Respondent had "good reason" for not providing a record of work on "completion" of the restricted building work.

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<sup>8</sup> Restricted Building Work is defined by the Building (Definition of Restricted Building Work) Order 2011

- [25] The Board discussed issues with regard to records of work in its decision C2-01170<sup>9</sup> and gave guidelines to the profession as to who must provide a record of work, what a record of work is for, when it is to be provided, the level of detail that must be provided, who a record of work must be provided to and what might constitute a good reason for not providing a record of work.
- [26] The starting point with a record of work is that it is a mandatory statutory requirement whenever restricted building work under a building consent is carried out or supervised by a licensed building practitioner (other than as an owner-builder). Each and every licensed building practitioner who carries out restricted building work must provide a record of work.
- [27] The statutory provisions do not stipulate a timeframe for the licenced person to provide a record of work. The provisions in section 88(1) simply states “on completion of the restricted building work ...”. As was noted by Justice Muir in *Ministry of Business Innovation and Employment v Bell*<sup>10</sup> “... the only relevant precondition to the obligations of a licenced building practitioner under s 88 is that he/she has completed their work”.
- [28] As to when completion will have occurred is a question of fact in each case.
- [29] In most situations, issues with the provision of a record of work do not arise. The work progresses, and records of work are provided in a timely fashion. That did not occur in the present case. The building work came to a premature end when the original owner died. The Respondent was invited to return but did not. As of May 2021, his potential engagement in the building work had come to an end. As at that point in time, he would no longer be carrying out any further restricted building work and his record of work was then due. One was not provided until July 2022, over a year later. On this basis, the Board found that the record of work was not provided on completion as required, and the disciplinary offence has been committed.
- [30] As stated in the Draft Decision, the Respondent should note that the requirement is on the licensed building practitioner to provide a record of work, not on the owner or territorial authority to demand one. He is required to act of his own accord and not wait for others to remind him of his obligations. He should have acted in May 2021. He should not have waited until he was chased for a record of work.
- [31] The Respondent, in his response to the Draft Decision, has failed to understand that the obligation lies with him. His submission focused on reasons why he could not provide a record of work in a timely manner in 2022 when he was asked for one. It did not address or deal with the reasons why he could not provide a record of work in 2021 when one was due.

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<sup>9</sup> *Licensed Building Practitioners Board Case Decision C2-01170* 15 December 2015

<sup>10</sup> [2018] NZHC 1662 at para 50

- [32] Section 317(1)(da)(ii) of the Act provides for a defence of the licenced building practitioner having a “good reason” for failing to provide a record of work. If they can, on the balance of probabilities, prove to the Board that one exists, then it is open to the Board to find that a disciplinary offence has not been committed. Each case will be decided by the Board on its own merits, but the threshold for a good reason is high.
- [33] The Respondent has noted, both in his response to the complaint and in the submissions to the Draft Decision, that he was not sure what he would be providing a record of work for as some of the work was being deconstructed. He knew, however, that at least the foundation remained and that a record of work was required for it. As matters transpired, that was all that was sought, and that is all that has been provided. The Board also notes that the Respondent did not take any action to ascertain what had been deconstructed. Given those factors, the deconstruction issue does not amount to a good reason.

### **Penalty, Costs and Publication**

- [34] Having found that one or more of the grounds in section 317 applies, the Board must, under section 318 of the Act<sup>1</sup>, consider the appropriate disciplinary penalty, whether the Respondent should be ordered to pay any costs and whether the decision should be published.
- [35] The matter was dealt with on the papers. The Board made an indicative order in its Draft Decision. It has since received submissions and has made a final decision as regards penalty, costs and publication.

### Penalty

- [36] The purpose of professional discipline is to uphold the integrity of the profession; the focus is not punishment, but the enforcement of a high standard of propriety and professional conduct. The Board does note, however, that the High Court in *Patel v Complaints Assessment Committee*<sup>11</sup> commented on the role of “punishment” in giving penalty orders stating that punitive orders are, at times, necessary to provide a deterrent and to uphold professional standards. The Court noted:

*[28] I therefore propose to proceed on the basis that, although the protection of the public is a very important consideration, nevertheless the issues of punishment and deterrence must also be taken into account in selecting the appropriate penalty to be imposed.*

- [37] The Board also notes that in *Lochhead v Ministry of Business Innovation and Employment*,<sup>12</sup> the Court noted that whilst the statutory principles of sentencing set out in the Sentencing Act 2002 do not apply to the Building Act, they have the advantage of simplicity and transparency. The Court recommended adopting a

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<sup>11</sup> HC Auckland CIV-2007-404-1818, 13 August 2007 at p 27

<sup>12</sup> 3 November 2016, CIV-2016-070-000492, [2016] NZDC 21288

starting point for a penalty based on the seriousness of the disciplinary offending prior to considering any aggravating and/or mitigating factors.

- [38] Record of work matters are at the lower end of the disciplinary scale. The Board's normal starting point for a failure to provide a record of work is a fine of \$1,500, an amount which it considers will deter others from such behaviour.
- [39] The Respondent was fined by the Board in 2017 in relation to two record of work matters. This is a second offence, and that is an aggravating factor. Notwithstanding, the Board notes the time that has elapsed and has decided that it will not increase the fine from the starting point. There are no mitigating factors that the Board is aware of. Given those factors, the Board sees no reason to depart from the starting point.
- [40] The Respondent did not raise any mitigating factors in his Draft Decision submission.
- [41] The fine is set at \$1,500.

#### Costs

- [42] Under section 318(4) the Board may require the Respondent "to pay the costs and expenses of, and incidental to, the inquiry by the Board."
- [43] The Respondent should note that the High Court has held that 50% of total reasonable costs should be taken as a starting point in disciplinary proceedings and that the percentage can then be adjusted up or down having regard to the particular circumstances of each case<sup>13</sup>.
- [44] In *Collie v Nursing Council of New Zealand*,<sup>14</sup> where the order for costs in the tribunal was 50% of actual costs and expenses, the High Court noted that:

*But for an order for costs made against a practitioner, the profession is left to carry the financial burden of the disciplinary proceedings, and as a matter of policy that is not appropriate.*

- [45] In *Kenneth Michael Daniels v Complaints Committee 2 of the Wellington District Law Society*,<sup>15</sup> the High Court noted:

*[46] All cases referred to in Cooray were medical cases and the Judge was careful to note that the 50 per cent was the general approach that the Medical Council took. We do not accept that if there was any such approach, it is necessarily to be taken in proceedings involving other disciplinary bodies. Much will depend upon the time involved, actual expenses incurred, attitude of the practitioner bearing in mind that whilst the cost of a disciplinary action by a professional body must be something of a burden imposed upon its*

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<sup>13</sup> *Cooray v The Preliminary Proceedings Committee* HC, Wellington, AP23/94, 14 September 1995, *Macdonald v Professional Conduct Committee*, HC, Auckland, CIV 2009-404-1516, 10 July 2009, *Owen v Wynyard* HC, Auckland, CIV-2009-404-005245, 25 February 2010.

<sup>14</sup> [2001] NZAR 74

<sup>15</sup> CIV-2011-485-000227 8 August 2011

*members, those members should not be expected to bear too large a measure where a practitioner is shown to be guilty of serious misconduct.*

*[47] Costs orders made in proceedings involving law practitioners are not to be determined by any mathematical approach. In some cases 50 per cent will be too high, in others insufficient.*

- [46] The Board has adopted an approach to costs that uses a scale based on 50% of the average costs of different categories of hearings, simple, moderate and complex. The current matter was simple. Adjustments based on the High Court decisions above are then made.
- [47] The Board notes the matter was dealt with on the papers. There has, however, been costs incurred investigating the matter, producing the Registrar's Report and in the Board making its decision. The costs have been less than those that would have been incurred had a full hearing been held. As such, the Board will order that costs of \$500 be paid by the Respondent. The Board considers that this is a reasonable sum for the Respondent to pay toward the costs and expenses of, and incidental to, the inquiry by the Board.

#### Publication

- [48] As a consequence of its decision, the Respondent's name and the disciplinary outcomes will be recorded in the public register maintained as part of the Licensed Building Practitioners' scheme as is required by the Act<sup>16</sup>. The Board is also able, under section 318(5) of the Act, to order publication over and above the public register:

*In addition to requiring the Registrar to notify in the register an action taken by the Board under this section, the Board may publicly notify the action in any other way it thinks fit.*

- [49] As a general principle, such further public notification may be required where the Board perceives a need for the public and/or the profession to know of the findings of a disciplinary hearing. This is in addition to the Respondent being named in this decision.
- [50] Within New Zealand, there is a principle of open justice and open reporting which is enshrined in the Bill of Rights Act 1990<sup>17</sup>. The Criminal Procedure Act 2011 sets out grounds for suppression within the criminal jurisdiction<sup>18</sup>. Within the disciplinary hearing jurisdiction, the courts have stated that the provisions in the Criminal Procedure Act do not apply but can be instructive<sup>19</sup>. The High Court provided guidance as to the types of factors to be taken into consideration in *N v Professional Conduct Committee of Medical Council*<sup>20</sup>.

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<sup>16</sup> Refer sections 298, 299 and 301 of the Act

<sup>17</sup> Section 14 of the Act

<sup>18</sup> Refer sections 200 and 202 of the Criminal Procedure Act

<sup>19</sup> *N v Professional Conduct Committee of Medical Council* [2014] NZAR 350

<sup>20</sup> *ibid*

[51] The courts have also stated that an adverse finding in a disciplinary case usually requires that the name of the practitioner be published in the public interest<sup>21</sup>. It is, however, common practice in disciplinary proceedings to protect the names of other persons involved as naming them does not assist the public interest.

[52] Based on the above, the Board will not order further publication.

### **Section 318 Order**

[53] For the reasons set out above, the Board directs that:

**Penalty:** Pursuant to section 318(1)(f) of the Building Act 2004, the Respondent is ordered to pay a fine of \$1,500.

**Costs:** Pursuant to section 318(4) of the Act, the Respondent is ordered to pay costs of \$500 (GST included) towards the costs of, and incidental to, the inquiry of the Board.

**Publication:** The Registrar shall record the Board's action in the Register of Licensed Building Practitioners in accordance with section 301(l)(iii) of the Act.

In terms of section 318(5) of the Act, there will not be action taken to publicly notify the Board's action, except for the note in the Register and the Respondent being named in this decision.

[54] The Respondent should note that the Board may, under section 319 of the Act, suspend or cancel a licensed building practitioner's licence if fines or costs imposed as a result of disciplinary action are not paid.

### **Right of Appeal**

[55] The right to appeal Board decisions is provided for in section 330(2) of the Act<sup>i</sup>.

Signed and dated this 7<sup>th</sup> day of March 2023



**Mr M Orange**  
Presiding Member

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<sup>i</sup> **Section 318 of the Act**

(1) *In any case to which section 317 applies, the Board may*  
(a) *do both of the following things:*

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<sup>21</sup> Kewene v Professional Conduct Committee of the Dental Council [2013] NZAR 1055

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- (i) *cancel the person's licensing, and direct the Registrar to remove the person's name from the register; and*
  - (ii) *order that the person may not apply to be relicensed before the expiry of a specified period:*
    - (b) *suspend the person's licensing for a period of no more than 12 months or until the person meets specified conditions relating to the licensing (but, in any case, not for a period of more than 12 months) and direct the Registrar to record the suspension in the register:*
    - (c) *restrict the type of building work or building inspection work that the person may carry out or supervise under the person's licensing class or classes and direct the Registrar to record the restriction in the register:*
    - (d) *order that the person be censured:*
    - (e) *order that the person undertake training specified in the order:*
    - (f) *order that the person pay a fine not exceeding \$10,000.*
- (2) *The Board may take only one type of action in subsection 1(a) to (d) in relation to a case, except that it may impose a fine under subsection (1)(f) in addition to taking the action under subsection (1)(b) or (d).*
  - (3) *No fine may be imposed under subsection (1)(f) in relation to an act or omission that constitutes an offence for which the person has been convicted by a court.*
  - (4) *In any case to which section 317 applies, the Board may order that the person must pay the costs and expenses of, and incidental to, the inquiry by the Board.*
  - (5) *In addition to requiring the Registrar to notify in the register an action taken by the Board under this section, the Board may publicly notify the action in any other way it thinks fit."*

**ii Section 330 Right of appeal**

- (2) *A person may appeal to a District Court against any decision of the Board—*
  - (b) *to take any action referred to in section 318.*

**Section 331 Time in which appeal must be brought**

*An appeal must be lodged—*

- (a) *within 20 working days after notice of the decision or action is communicated to the appellant; or*
- (b) *within any further time that the appeal authority allows on application made before or after the period expires.*