

## Before the Building Practitioners Board

	BPB Complaint No. CB26086
Licensed Building Practitioner:	Junyan Liu (the Respondent)
Licence Number:	BP126521
Licence(s) Held:	Carpentry, Bricklaying and Blocklaying

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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:	30 January 2023
Reissued Decision Date:	22 August 2023
Board Members Present:	
	Mr M Orange, Chair, Barrister (Presiding)
	Mrs F Pearson-Green, LBP, Design AoP 2
	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 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 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.

### Background to the Reissued Decision

- [3] In August 2022, the Board received a complaint alleging the Respondent had failed to provide a record of work on completion of restricted building work.
- [4] In January 2023, the Board decided that it would issue a Draft Decision upholding the complaint. The Respondent was invited to make submissions on it or to seek a hearing. The Respondent made a submission and provided further evidence on 27 February 2023. The Respondent put forward evidence that contradicted his original response. He stated that he had provided a record of work to an owner on completion.

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

- [5] On the basis of the submission, the Draft Decision was set aside, and a hearing was scheduled. A Notice of Proceeding was issued. In it, the Board noted that if it had misinterpreted the Respondent's submission or if the Respondent did not want to proceed to a hearing, he could request that the Board revert to the Draft Decision.
- [6] On 11 August 2023, a prehearing conference was held. The matter has been set down for a hearing by Zoom on 27 September 2023. On the same date as the prehearing, the Board received an email from the Respondent's accountant. It included the following:
- I just got a heads up from my director regards to the pre hearing call this morning. I am wondering can we just pay the fine and settle this issue?*
- [7] It appeared to the Board that the accountant may have been making a request for the Board to revert to the Draft Decision rather than the matter proceeding to a hearing.
- [8] Given the statement, the Board issued a Minute noting that the Respondent could request, in writing, that the Board revert to the Draft Decision. The Minutes noted that if the Respondent did, then the hearing would be vacated, and the Draft Decision would become final.
- [9] On 22 August 20023, the Respondent emailed requesting that the Board revert to the Draft Decision. Given that request, the Board has decided to reissue the Draft Decision, which is now the Board's final decision.

### **The Charges**

- [10] On 30 January 2023, the Board received a Registrar's Report in respect of a complaint about the conduct of the Respondent.
- [11] 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.
- [12] Having received the report, the Board decided that regulation 9 applied to aspects of the complaint but not to all of the allegations.

### **Regulation 9 Decisions**

- [13] The complaint to the Board also contained allegations that the Respondent had:
- (a) carried out or supervised building work or building inspection work in a negligent or incompetent manner (s 317(1)(b) of the Act); and
  - (b) carried out or supervised building work or building inspection work that does not comply with a building consent (s 317(1)(d) of the Act).
- [14] With regard to those allegations, the Board decided that regulation 9(f)(ii) of the Complaints Regulations applied. It provides:

***Complaint not warranting further investigation***

*A complaint does not warrant further investigation if—*

- (f) the investigation of it is—*
  - (ii) unnecessary;*

[15] The specific allegations related to a failure to excavate one pile to the correct depth, an issue with the quality of foundation work at two corners of the foundation, general supervision and general health and safety concerns.

[16] In considering whether the investigation of a complaint is necessary, the Board is required to consider the directions of the courts as regards the threshold for matters to be dealt with as a disciplinary matter. In *Collie v Nursing Council of New Zealand*<sup>2</sup>, Justice Gendall stated, as regards the threshold for disciplinary matters:

*[21] Negligence or malpractice may or may not be sufficient to constitute professional misconduct and the guide must be standards applicable by competent, ethical and responsible practitioners and there must be behaviour which falls seriously short of that which is to be considered acceptable and not mere inadvertent error, oversight or for that matter carelessness.*

[17] Again, in *Pillai v Messiter (No 2)*,<sup>3</sup> the Court of Appeal stated:

*... the statutory test is not met by mere professional incompetence or by deficiencies in the practice of the profession. Something more is required. It includes a deliberate departure from accepted standards or such serious negligence as, although not deliberate, to portray indifference and an abuse.*

[18] Overall, the Board's assessment of the building work matters complained about (the pile and foundation issues), did not reach the threshold for them to be further investigated as disciplinary matters.

[19] The Board did have concerns with respect to the Respondent's approach to supervision, noting that he may have been the supervising Licensed Building Practitioner whilst he was not in New Zealand.

[20] Supervision in the context of the Building Act has not yet been considered by the courts. It has, however, been considered in relation to Electricity Act 1992<sup>4</sup>. The definition of supervision in that Act is consistent with the definition in the Building Act and, as such, the comments of the court are instructive. In the case, Judge Tompkins stated at paragraph 24:

*"As is made apparent by the definition of "supervision" in the Act, that requires control and direction by the supervisor so as to ensure that the electrical work is performed competently, that appropriate safety measures*

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<sup>2</sup> [2001] NZAR 74

<sup>3</sup> (1989) 16 NSWLR 197 (CA) at 200

<sup>4</sup> *Electrical Workers Registration Board v Gallagher* Judge Tompkins, District Court at Te Awamutu, 12 April 2011

*are adopted, and that when completed the work complies with the requisite regulations. At the very least supervision in that context requires knowledge that work is being conducted, visual and other actual inspection of the work during its completion, assessment of safety measures undertaken by the person doing the work on the site itself, and, after completion of the work, a decision as to compliance of the work with the requisite regulations.”*

- [21] In C2-01143, the Board discussed the levels of supervision it considers are necessary to fulfil a licensed building practitioner’s obligations noting that the level of supervision required will depend on a number of circumstances, including:
- (a) the type and complexity of the building work to be supervised;
  - (b) the experience of the person being supervised;
  - (c) the supervisor’s experience in working with the person being supervised and their confidence in their abilities;
  - (d) the number of persons or projects being supervised; and
  - (e) the geographic spread of the work being supervised.
- [22] Ultimately, the Board also needs to consider whether the work met the requirements of the building code and, if not, the level of non-compliance. In this matter, the levels of non-compliance, as previously noted, did not reach the threshold for further consideration. Notwithstanding, the Respondent is cautioned that, in the future, he needs to ensure that he is in a position to actively supervise any restricted building work that is being carried out under his supervision.
- [23] The Board also noted the health and safety issues that were raised by the Complainant. Again, whilst the Board will not be further investigating those issues, the Respondent should note that health and safety matters can come within the Board’s jurisdiction, and close attention needs to be paid to them.

#### Disciplinary Offence to be Investigated

- [24] 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).
- [25] Under regulation 10, the Board is required to hold a hearing in respect of that matter.

#### **Draft Decision Process**

- [26] 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>5</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>6</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.

- [27] In this instance, the Board has decided that a formal hearing is not necessary. The Board considers that there is sufficient evidence before it to allow it to make a decision on the papers.
- [28] The Board does, 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, this decision is a draft Board decision. The Respondent will be 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 directs or the Respondent requests an in-person hearing, then one will be scheduled.

#### **Evidence**

- [29] 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.
- [30] The Respondent was engaged to carry out building work on a multi-unit dwelling 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 took place between, on the Respondent's evidence, March/April and 7 May 2022.
- [31] On 30 May 2022, the Complainant sought a record of work from the Respondent. The Respondent relied to the request stating:
- We issue ROW when payment is received*
- [32] A complaint about the refusal to provide a record of work was made on 9 August 2022.
- [33] A copy of the Territorial Authority file was obtained on 19 September 2022. It did not contain a record of work from the Respondent.

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<sup>5</sup> Clause 27 of Schedule 3

<sup>6</sup> *Castles v Standards Committee No.* [2013] NZHC 2289, *Orlov v National Standards Committee 1* [2013] NZHC 1955

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

- [34] The Respondent provided a response to the complaint. He stated that the initial refusal to provide a record of work was on the advice and direction of his accountant but that he has, since the refusal was made, informed the accountant that records of work cannot be withheld.
- [35] The Respondent provided the Board with a record of work dated 8 August 2022. He also provided evidence that he had provided the record of work to the Complainant on 16 August 2022. The Respondent was informed of the Complaint on 12 August 2022.

### Draft Conclusion and Reasoning

- [36] 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.
- [37] 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 completion of restricted building work<sup>8</sup>.
- [38] 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.
- [39] 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.
- [40] 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.
- [41] 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

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

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

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

precondition to the obligations of a licenced building practitioner under s 88 is that he/she has completed their work”.

- [42] As to when completion will have occurred is a question of fact in each case.
- [43] 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. In this matter, the work was completed on or about 7 May 2022. A record of work was requested. One was not provided until 16 August 2022, after a complaint about its non-provision had been brought to the Respondent’s attention and three months after completion. It was provided to the Complainant but not to the Territorial Authority.
- [44] On the basis of the foregoing, the Board finds that the record of work was not provided on completion as required, and the disciplinary offence has been committed.
- [45] 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.
- [46] In this instance, there was an ongoing payment dispute. The Board has repeatedly stated that a Record of Work is a statutory requirement, not a negotiable term of a contract. The requirement for it is not affected by the terms of a contract, nor by contractual disputes. Licensed building practitioners should now be aware of their obligations to provide them, and their provision should be a matter of routine.
- [47] Nor is it a good reason that the Respondent’s accountant was the person that had declined to provide the record of work for payment reasons. The Respondent should have provided it on completion and the accountant was not the person who responsible for its provision.
- [48] The Respondent should also 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.

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

- [49] Having found that one or more of the grounds in section 317 applies, the Board must, under section 318 of the Act<sup>i</sup>, consider the appropriate disciplinary penalty, whether the Respondent should be ordered to pay any costs and whether the decision should be published.
- [50] The matter was dealt with on the papers. Included was information relevant to penalty, costs and publication, and the Board has decided to make indicative orders



and give the Respondent an opportunity to provide further evidence or submissions relevant to the indicative orders.

### Penalty

[51] 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.*

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

[53] 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. There are no aggravating nor mitigating factors present. As such, the Board sees no reason to depart from the starting point. The fine is set at \$1,500.

### Costs

[54] 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.”

[55] 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>.

[56] 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:

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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

<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

*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.*

[57] 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 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.*

[58] 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.

[59] 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

[60] 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.*

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

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

- [61] 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.
- [62] 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>.
- [63] 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.
- [64] Based on the above, the Board will not order further publication.

#### **Section 318 Order**

- [65] 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(I)(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.**

- [66] 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.

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<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*

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

## Right of Appeal

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

Signed and dated this 24<sup>th</sup> day of August 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:*
    - (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."*

### <sup>ii</sup> **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.*